The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Would Trade Manchukuo for a China Alliance---Fukien Rebels

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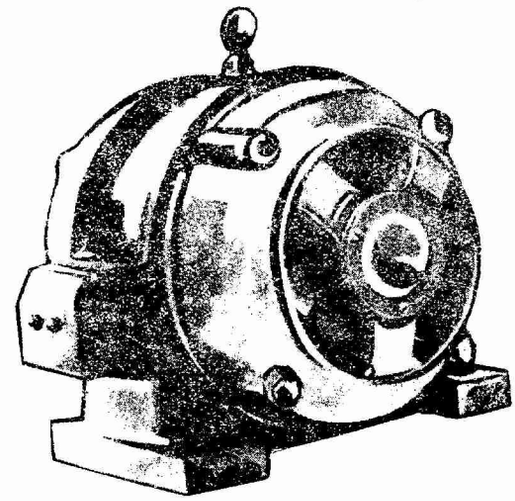

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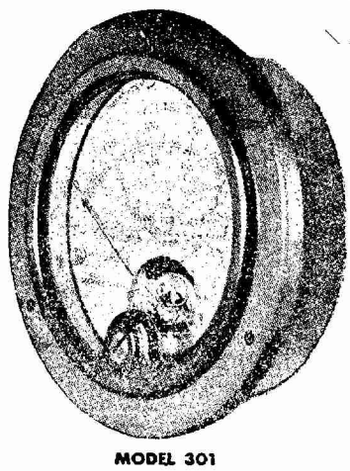

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Henry Ford
Dearborn, Mich.

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Henry Ford

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The China Weekly REVIEW

Formerly Millard's Review

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STRANGE B. A. T.-TOA CIGARETTE POLITICS IN MANCHUKUO

DISPATCHES from Mukden published throughout the Far East during the week of November 18 reported that the Imperial Japanese Army and the Manchukuo government had granted the British-American Tobacco Company the right to erect a large cigarette factory in the vicinity of Mukden. An earlier report published in the Japanese newspapers stated that permission had been granted for the erection of the factory at the town of Liaoyang which is located within the zone of the South Manchuria Railway between Mukden and Dairen, but the later message said the factory would be erected in Mukden, although the Japanese Kwantung army authorities had raised objection to this location due to its nearness to the Japanese military hopsital. The negotiations on behalf of of the British-American Tobacco Company were conducted by Archibald Rose, former British Commercial Attache in China, who, since his retirement from government service has served as a sort of diplomatic agent for the B. A. T. Mr. Rose also has served on several occasions as a member of the British delegation to the various conferences of the Institute of Pacific Relations, notably at Kyoto in 1929, Shanghai in 1931 and at the recent meeting at Banff, Canada from which point he proceeded directly to Japan and Manchukuo.

The publication of this report led to the impression that the powerful British cigarette trust, said to be the largest British enterprise in Asia, had finally reached an understanding with the Japanese military authorities in Manchuria. But the *United Press* reported in a dispatch from Mukden on November 16 that trouble had again broken out and intense competition accompanied by price-cutting had developed between the B. A. T. and the Japanese Toa Tobacco Company. The report stated that prices for cigarettes had dropped to a point where neither company was making profit and the allegation was made that the Japanese factories especially were losing money.

The *Osaka Mainichi* on November 10 published an article which provided a considerable insight into what is really going on in what might be termed the field of Anglo-Japanese-Manchukuo-cigarette politics. This report alleged that the British cigarette trust, "unable to stand the com-

petition of the Japan Toa Tobacco Company, had proposed a compromise," which apparently was responsible for the later report that the B. A. T. planned to erect another factory in Manchuria. According to the report in the Osaka paper the Japanese Toa Company, a subsidiary of the official Japanese tobacco monopoly bureau, was organized several years ago for the purpose of exporting Japanese cigarettes and other products to Korea, Manchuria and China. The Toa Company's business in Korea was adversely affected in 1921 when the official cigarette monopoly system was extended to Korea, but despite this the company has been able to show a profit of more than Yen 1,000,000 for each six months' period. To quote from the *Mainichi's* report the recent activity of the Toa Company has been due to the following facts:

> 1. Following the collapse of War Lord Chang Hsueh-liang regime and the formation of Manchukuo, the Toa Tobacco Company was placed in a favourable, or at least normal situation, although the Company was formerly discriminated against, compared with the Anglo-American Tobacco Trust and other foreign companies. It is now able to compete with the Anglo-American Trust under the same conditions.
>
> 2. The Company completed the negotiation of a Yen 5,000,000 loan in June this year and it has now a sufficient working fund.
>
> 3. The purchase of tobacco leaves from the United States has become favorable of late on account of the rise of the yen-dollar exchange rate. At the same time, the silver price has been somewhat stabilized, having a favourable effect upon the sale of tobacco in Manchukuo.

Continuing, the report stated that the Toa Company, due the favorable conditions now prevailing in the puppet state, was extending its operations into the interior areas where the British cigarette combine previously enjoyed a practical monopoly. It was this circumstance which, allegedly, had caused the B. A. T. to seek a compromise. But the officials of the Monopoly Bureau of the Japanese Government declared that the talk about compromise "was premature," and that the international selling competition now prevailing in Manchukuo "may lead to the creation of a tobacco monopoly in that country." In consequence of this situation the Japanese authorities were quoted as "watching the development of the rivalry with keen interest."

Prior to the Japanese occupation of Manchuria the British cigarette trust enjoyed more than friendly relations with the administration of Marshal Chang Hsueh-liang. Large cigarette factories were operated in Mukden and at Harbin, the factories in Harbin specializing in Russian-style cigarettes. Through an arrangement with the Chinese authorities at Nanking the British cigarette trust paid its taxes directly to the Mukden treasury. But shortly following the Japanese occupation of Mukden and extention of Japanese military control throughout Manchuria, the Japanese military authorities placed guards about the B. A. T. factories and prohibited transportation of their products from the factories to the distributors. In this manner the Japanese compelled the British trust to pay its taxes to the puppet state. But at the same time the military authorities extended special facilities to their own Toa Company, enabling it to expand its activities throughout the country in competition with the B. A. T. brands. Previously, when the Chinese were running Manchuria they restricted the Toa Company to the Kwantung leased territory and the zone of the Japanese Government-controlled South Manchuria Railway. Now after two years of politics and intrigue it appears that the fight has reached a crisis and unless a compromise is reached, the tendency apparently is drifting toward the creation of an official Japanese-controlled cigarette monopoly in Manchukuo—which in all probability will mean the elimination of the British cigarette trust. The creation of a Japanese tobacco monopoly in Manchukuo also would tend to stimulate the Chinese toward similar activity, a matter which has already received considerable comment in the Chinese newspapers.

BRITAIN'S TORY GOVERNMENT AND THE SINO-JAPANESE ISSUE

IN the British House of Commons last week, Labor members charged the present British Government with "encouraging Japan in her Manchurian policy of aggression." The attitude of the Government, Morgan Jones asserted, "had resulted in stultifying the efforts of the League of Nations at achieving a settlement of the Pacific situation." Another Labor M.P., Sir Stafford Cripps, declared that "action of the United States, Australia, and New Zealand in strengthening armaments was due to the refusal of the Government to oppose Japan's actions in Manchuria." Mr. Jones specifically mentioned both L. S. Amery, formerly Secretary of State for the Colonies and late of the Dominions, and Austen Chamberlain, former Foreign Secretary, though a *Havas* message the following day stated that he had retracted his statement declaring that Chamberlain had "deliberately encouraged, with his speeches, the Japanese aggression against China."

The Government response appears to have been a weak one. MacDonald simply protesting that "violent action against Japan would be 'a queer way' of working for peace." The obvious retort to this, of course, is that support of Japan's violent actions is a still queerer way of working for peace. But whether such rejoinder was made is not reported. In any case, British Tory support and encouragement of Japan in the latter's aggressions in China flowed logically and necessarily out of the Anglo-Japanese Entente, established in 1928, providing for "a common course of action" in China. The common use of troops, indeed, was not called for, as Japan's military forces were sufficiently superior to the Chinese troops which faced them, but Britain could be of far greater assistance as a professed "neutral," at Geneva and elsewhere, and certainly played loyally her part. Whenever she was insufficiently yielding, a furious anti-British campaign in the press of Japan (which has never had any scruples whatever about attacking her erstwhile ally when it might be useful) usually brought her to terms without much delay.

When Count Uchida, returning to Japan from Paris (where he had signed the Kellogg Pact on behalf of Japan), reported to a meeting of high officials at the Japanese Foreign Office on

November 17, 1928, and "made certain important proposals in the direction of promoting perfect cooperation between Japan and Britain," he was acting upon an understanding already achieved, and more than hinted at in the Japanese press at the time. The Chinese Charge d'Affaires in London, indeed, addressed an inquiry to the British Government regarding reports of a renewal of the Anglo-Japanese Alliance, but the Foreign Office flatly denied (November 24) that there was any foundation to this, or even any understanding between Britain and Japan on China policy.

This denial, however, apparently was not entirely correct as Austen Chamberlain, then Foreign Secretary, acknowledged on November 28 that an agreement had been reached between Britain and Japan for a common course of action in China. This information was elicited by the insistent Labor questioning in the House, the Laborites strongly opposing the new entente. Uchida at first, it seems, had tried to form an "entente cordiale" including not only Japan and Britain, but America as well, to present a united front against China and her demands for treaty revision, but the United States had declined, following which the Anglo-Japanese understanding was reached. British Labor men brought out some of the facts, and even the Tory papers had to comment upon the new accord, such papers as the *Times* and *Daily Telegraph* being of course strongly in favor of it. The Labor *Daily Herald* however, declared:

> "There is little doubt that something like an entente exists. The seriousness of the new move can scarcely be over-estimated. It is tearing up in fact, if not in form, the Washington Convention. It is reverting in the East, as is the new Anglo-French Entente in the West, to the old policy of camouflaged alliances."

Austen Chamberlain, persistently questioned in the House, declared that "the relations between Britain and Japan in regard to China were based on the obligations for full and frank communication" specified in the Washington Convention. (These obligations, it would appear from Chamberlain's statement, did not apply to China which had four days previously been misinformed by Britain on the subject). Continuing, the Secretary for Foreign Affairs stated that Anglo-Japanese relations were further based upon the fact that "Japan and Britain have much larger interests in China than any other of the Powers represented at the Washington Conference." He went on to say:

> "The two Governments, therefore, had agreed informally that the close contact they desired to maintain would be best promoted and developed by constant communication and consultation between their respective Ministers in Peking, who, being each fully informed of the Government of the other colleague regarding every new problem as it arises, would be in a position to consider whether views of a common course of action was desidable, and, if not, to understand and explain the reasons of their Government for not pursuing the same course of action."

This, certainly, showed "something like an entente." However "informal" the agreement, it was so close that not only were the Japanese and British Ministers in Peiping to consult and inform one another on every new problem concerning China, aiming at a common course of action, but that in case one Government did not pursue the same policy as the other it would have to give an explanation of its failure to do so. This last phrase showed beyond any doubt that the new accord was far stronger than Chamberlain desired to present it as being

This Anglo-Japanese Entente, admitted by Austen Chamberlain, has never been publicly denounced or denied by the British Government. On the contrary, Britain's policy throughout the Sino-Japanese dispute has indicated the existence of such an understanding, even if Chamberlain's admission were not on record. A few further facts, however, may be noted in connection with the effects of the Entente.

Telegrams, from London, dealing with the Anglo-Japanese understanding for mutual support, included reports to the effect that Britain had dropped her former objection to making the "Nishihara" and other unsecured loans of Japan a charge upon China's customs revenue, and had also recognized Japan's "special interests" in North as well as South Manchuria. The British Government did not officially admit having reached agreement with Japan on these points, but on December 4 Japan demanded that China must agree to recognize and pay the "unsecured" loans referred to, and it was subsequently reported that China, in order to obtain Japan's agreement to Chinese tariff autonomy, had recognized the "large number and amount of the unsecured and inadequately secured obligations of China due to Japanese creditors" as a charge on the Chinese tariff revenues. And a few weeks after the entente was admitted, the Japanese Minister of Communications publicly urged a return to the policy of the Twenty-One Demands.

It is extremely likely that it was the three years of Labor Government in Britain which postponed the Japanese occupation of Manchuria. For in June 1929 the Labor Party took office, and British support was no longer to be relied upon for Japan's "positive policy" in China. By a striking coincidence, Tanaka's militarist Government resigned four weeks later, and a Minseito Government was formed, with Shidehara as Foreign Minister returning to his "conciliatory" policy towards China. But in August 1931 the Labor Government fell in Britain. The following month, by another strange coincidence, the Japanese military began the occupation of Manchuria. Just how fully the Japanese and British Ministers in Peiping kept one another informed of the successive steps of their Governments we do not know, but there is no reason to think that Britain was ever disloyal to her agreement with Japan. Her policy, indeed, showed the reverse. Lord Cecil, at the League of Nations Council, supported the Japanese demand for direct negotiations, declaring it was up to Japan and China to settle their dispute between themselves. This pro-Japanese attitude was maintained throughout, and when the Washington Government, on January 7, 1932, issued its declaration that it would not recognize any de facto situation or treaty contrary to the obligations of the Anti-War Pact or Nine-Power Treaty, the Britain Foreign Office issued a communique (January 12) stating that the British Government saw no reason for endorsing the Stimson Note, the Japanese delegate having promised Sir John Simon at Geneva that Japan would respect the

"open door" policy in Geneva.

If this was not encouragement to the Japanese, how else it could be defined. But other things are equally significant. The Japanese had already claimed that China was not entitled to the protection of the Covenant, not being an "organized people," and the British delegation declared in support of this that Great Britain was not observing, and did not propose to observe, the Covenant in this dispute." (See the Manchester Guardian, September 30 and October 1, 1932.) At the Assembly meeting in March 1932, Sir Simon (again to quote the Guardian) "strove hard to prevent any action except a vague declaration of principles—he was insistent on getting a resolution that Japan could accept," but "the Assembly on March 11 passed a resolution formally asserting the principle that no situation or treaty incompatible with Article 10 of the Covenant, or with the Paris Pact, could be recognized by the members of the League. Some of the smaller Powers wished to apply this principle explicitly to the Manchurian situation as the United States had done in the Stimson-Borah letter, but this was defeated by Sir John Simon....Sir John Simon's attitude to the Covenant has throughout been not that of a statesman honoring solemn treaty obligations....but that of a lawyer picking holes in a contract in the interests of a shady client." We have never heard that the Guardian has made any retraction or apology for this emphatic statement on British support and encouragement of Japanese policy. Simon's attitude was similar last winter, when the Assembly met with the Lytton Report before it, he striving resolutely against any decisive League action, or even statement, while Sir Eric Drummond actually utilized his position as Secretary-General to carry on secret negotiations with the Japanese, aiming at finding a "formula" wholly suitable to Japan, only to be repudiated by the Committee. Finally, when the League actually passed a resolution, against stubborn British and French opposition, declaring in no uncertain terms Japan's complete responsibility in the Far Eastern dispute, Britain showed her emphatic dissent by establishing a brief embargo on arms to both China and Japan, putting the two countries in the same category. One of the most amazing things in this Anglo-Japanese "concord" has been the manner in which the Japanese have turned, at every point when they considered Britain was not supporting them sufficiently, to a scurrilous anti-British campaign in their officially inspired press, and the docile and conciliatory manner in which Britain has responded to these attacks, "paying any price in self-respect at Geneva and in prestige throughout the Far East," as the Guardian remarks, "in order to avoid a break with Japan." It has been a most extraordinary entente, which only the extremely reactionary nature of the present Tory regime has made possible. That Tory support of Japan will become a fundamental issue in the next British election seems to be a certainty.

Japan Would Abolish Manchukuo in Exchange for a Sino-Japanese Alliance

THE proverbial cat now seems to be more or less "out of the bag" with respect to the real motive behind the secret negotiations which the representatives of the Japanese Kwantung Army have been conducting with General Huang Fu, head of the Peiping Political Rehabilitation Committee. To put it in simple terms the Japanese Kwantung Army which is now in control of all Manchuria and the influence of which completely overshadows north China, has offered to abolish the puppet state of Manchukuo, providing China would be willing to enter into a military and economic alliance with Japan somewhat along the lines of the Japan-Manchukuo protocol signed on September 15, 1932. Under the terms of this protocol Japan (Imperial Kwantung Army) was granted the sole right of internal and external military defence of the puppet state. Secret clauses attached to the protocol granted to Japan or Japanese interests monopolistic control of practically all Manchurian railways, electrical communications, minerals and mining enterprises and essential industries.

While there has been no official announcement of the foregoing information there is little question of its correctness because the situation is now fully known in Peiping diplomatic circles and reports have been printed in the Chinese newspapers in that city, particularly the Peiping *Morning Post* which on November 13 published a general expose of the situation under the heading, "So-called Curved-Line Diplomacy." After referring to the recent resignation of T. V. Soong and political complications in south China, the Peiping paper explained that the term "Curved-Line diplomacy" meant that a country accepts temporary diplomatic defeat and then prepares for the day when it can again meet its enemy on equal terms. The paper then stated that reports were current in Peiping that the representatives of the Kwantung army had offered to abolish the puppet state of Manchukuo—as soon as China is willing to join hands with Japan in a military and economic alliance.

This Japanese proposal apparently was made following the announcement from Washington that President Roosevelt had invited the Soviet Government to send a representative to Washington for the purpose of discussing a resumption of diplomatic relations between the U. S. A. and the U. S. S. R. This announcement from Washington as is now generally realized, constituted a deathblow to Japan's military diplomacy of the past two years, hence the Japanese General Staff attempted to offset Japan's complete isolation in world affairs by offering to abolish Manchukuo in exchange for a military and economic alliance with China. All of the ramifications of Japan's proposals are not yet known but the military proposals included monetary and munitions loans sufficient to enable the Chinese Government to consolidate its position domestically, while the Imperial Japanese Navy would assume the task of China's maritime

protection against external interference on the part of the United States or European nations. As to the Imperial Japanese Army, it would assist China against any possible aggression by land, meaning a Sino-Japanese military alliance against the Soviets.

As to the economic phases of the Japanese proposal, it included a suggested reciprocal tariff agreement whereby China would admit Japanese manufactured products at preferential rates, sufficient to elminate competing American and European products in a comparatively brief period of time. Other phases of the Japanese proposal included Japan's relinquishment of exterritoriality and China's recognition of the so-called Nishihara loans and other claims amounting to approximately Yen 600,000,000 which would be secured by the Maritime customs revenues under a long-term funding arrangement.

The Peiping *Morning Post*, in commenting on the secret Japanese proposals, declared, "Apparently many fail to realize that the diplomatic isolation of Japan is one thing and her unwillingness to give up the four northeastern provinces is another. It is true that Japan is afraid of a Russo-American rapprochement but we refuse to subscribe to the view entertained in certain quarters that, just because of this fear, Japan is willing to return the four northeastern provinces to Chinese control. If Japan were willing to do this, there would be no point or justification for her desire to reach an early settlement of the questions pertaining to through traffic on the Peiping-Mukden railway, re-establishment of postal facilities and the creation of customs stations along the Great Wall, for these questions would be automatically settled with the abolition of Manchukuo. It is our opinion that China would be playing into the hands of the Japanese if we sought an early settlement of these issues. We are not absolutely pessimistic regarding the Manchurian question. The four northeastern provinces are, with the exception of Japan, recognized by the whole world as an integral part of China. If China sincerely wants to recover these provinces, the opportunity will not be long in coming, provided our Government introduces necessary reforms for the benefit of the people and the improvement of the country. The international situation is growing increasingly unfavorable to Japan, hence on the one hand she is making active preparations for war and on the other she has sent Minister Ariyoshi and Major-General Okamura to Peiping to induce us to join hands with Japan in a military and economic alliance in order to relieve the international tension. Judging from the existing international situation, it is most unlikely that the Powers will change their stand on the Manchurian question, but if we do not proceed cautiously, their present goodwill and friendship toward China is likely to turn into contempt and indifference."

On Nov. 14 the Peiping *Morning Post* returned to the subject of Japan's secret negotiations and commented extensively on Ambassador Sugimura's recent statement at Hongkong about "direct negotiation." The editor then explained that "As a result of her Manchurian adventure Japan today finds herself in a state of diplomatic isolation. On the other hand China is filled with indignation because a large part of her national territory has been forcibly seized by a neighboring nation. The international situation has become more threatening. Since China and Japan are the two principal parties concerned, it would seem but natural for them to settle their differences by direct negotiations. Then why all this secrecy about the whole proceeding? There must be something behind it which cannot be made known to the public."

Of still further interest in connection with the proposed military alliance, the *China Times* published a dispatch stating the Japanese naval authorities had completed the readjustment of their arrangements for the distribution of warships along China's seacoast, following the recent maneuvers of the Japanese grand fleet. The report in the Chinese paper stated. "After the announcement of the Japanese naval authorities last August declaring Port Arthur was again to be a naval bace and dockyard, construction work there has been in full swing. To further strengthen the Japanese naval force in North China, the aircraft carrier Notoro has been ordered to Port Arthur, the Notoro is one of the newest aircraft carriers in Japan and accommodates 48 aeroplanes. With this ship stationed at the mouth of the Gulf of Pelchihli, Japan will be able to command the entire situation in North China. The second squadron of the Japanese Navy has been reorgnized and is now known as the Manchuria Squadron. It is now commanded by Admiral Kobayashi. In addition to the ships of the former 2nd Squadron, one aircraft carrier, six gunboats and six destroyers have been added. These ships are stationed at Chinwangtao, Chefoo, Tsingtao, Weihaiwei and Tangku. A new fleet is now operating in southern Chinese waters. With Formosa as the base, its ships are stationed at different seaports in South China, such as Foochow, Amoy, Swatow and Canton. To facilitate communications between Formosa and the Japanese mandatory islands in the south seas, a regular air service will shortly be installed to link up these islands with Formosa. These air lines will greatly faciltate Japan's naval defence in these mandatory islands in case of a war."

The sudden discontinuance of all publicity regarding the negotiations between Huang Fu and the Japanese military emissaries in Peiping has left the public more or less in the dark regarding the actual status of agreements arrived at with respect to the three major issues, resumption of railway traffic, postal communications and establishment of customs stations along the southern Manchukuo border. A *Reuter* report from Peiping on Nov. 21 stated that through railway traffic would be resumed on December 1 in accordance with an arrangement made by Ying Tung, Chinese managing-director of the Peiping-Mukden line and the Japanese military authorities at Dairen. There have been various reports about Japanese withdrawal of troops from the Great Wall area and Shanhaikwan, but this has been due not to the Chinese negotiations but to the action of the Japanese in increasing their military strength against Russia in north Manchuria. Akira Ariyoshi, Jananese Minister to China, who has been in Peiping assisting in the negotiations between Huang Fu and the Japanese Kwantung Army representatives, returned to Shanghai this week. In an interview in the *China Press*, Mr. Ariyoshi de-

clared that no agreement had been reached on the various questions concerned with the resumption of relations between north China and Manchukuo. Of considerable significance was a report in the bulletin issued by the Japanese Military Headquarters in Tientsin on November 17 which stated that the Japanese troops in north China were conducting extensive maneuvers in the vicinity of Tangku, one of the objects being, according to the report, "to impress the bandits along the Haiho river and adjoining districts in the vicinity of Tientsin." Tangku is on the Gulf of Chihli and serves as the port of entrance for Tientsin shipping. Sometime ago the Japanese detachment at Tangku disarmed the Chinese gendarmes at that city and by mounting machine-guns in the streets took possession of the town.

Fukien Declares Independence, Creates "People's Government," Adopts New Flag

FUKIEN province, which has been controlled by China's famous 19th Route Army which defended Shanghai against the Japanese invasion early last year, has declared its independence against the National Government at Nanking. The new government, which, according to various reports is called the "People's Government of the Republic of China," or the "Federal Revolutionary Government of China," is decidedly social-revolutionary in character and as to personnel is made up of members of the 19th Route Army, Kwangsi party and the so-called Third-Party which is variously described as a "pink" political group espousing some, but not all of the principles of the Chinese Communist Party. According to a Foochow dispatch in the *Sin Wan Pao* on Tuesday, Nov. 21 the personnel of the new political group includes:

Gen. Chiang Kwan-nai, Chairman of Fukien Provincial Government.

Gen. Li Chi-sum (Kwangsi), Chairman of the People's Government.
Gen. Tsai Ting-kai (19th Route), Chairman of the Military Commission.
Gen. Chen Ming-hsu (19th Route), Chairman of the Executive Commission.
Hsu Hsi-ching (Third Party), Chairman of the Finance Commission.
Chang Po-chen (Third Party), Chairman of the Educational Commission.
Eugene Chen (Third Party), Chairman of the Foreign Affairs Commission.
George Hsu Chen (Third Party), Secretary of the Government.

According to the same dispatch in the *Sin Wan Pao*, the new government's program includes five principles:

1—Complete tariff autonomy for China.
2—Abolition of all unequal treaties.
3—Freedom of Labor to organize and seek redress by strikes and also freedom of religion.
4—State ownership of land, forests and mines.
5—Prolonged resistance against the Japanese.

The report containing the foregoing information stated that the absence of any mention of Communism has led to the belief that the new group tends toward conciliation with the reds. On the other hand the absence of any mention of the Kuomintang party has led to the belief that the new party is opposed to the Kuomintang, a belief which was strengthened by reports that the Kuomintang blue-sky-white-sun flag has been discarded and in its place a new flag has been designed—which contains red and blue colors. The dispatch concluded by declaring that the new administration will be known as the "Production Party To Befriend the Poor." A further report from *The Review's* correspondent in Hongkong added that information that the new party program also contains declarations favoring government control of lands, forests and mines with redistribution and equalization of rice-farming fields. Dispatches from various sources which appeared in the Chinese newspapers in Shanghai on Tuesday stated that the new administration derives its power and authority from a so-called "People's Assembly" which is now housed in the building formerly occupied by the Fukien provincial Kuomintang Party Headquarters. This assembly has sent identic telegrams to various leaders in both north and south China, including Chen Chi-tang (Canton), Li Tsung-jen (Kwangsi), Hu Han-min (Hongkong) and Feng Yu-hsiang (Shantung) inviting their cooperation. The Shanghai newspapers also quoted reports from "certain undesignated sources" (probably Japanese) alleging that the Fukien Assembly has reached an agreement with the Communist Party in southern Kiangsi which allegedly contains the following provisions:

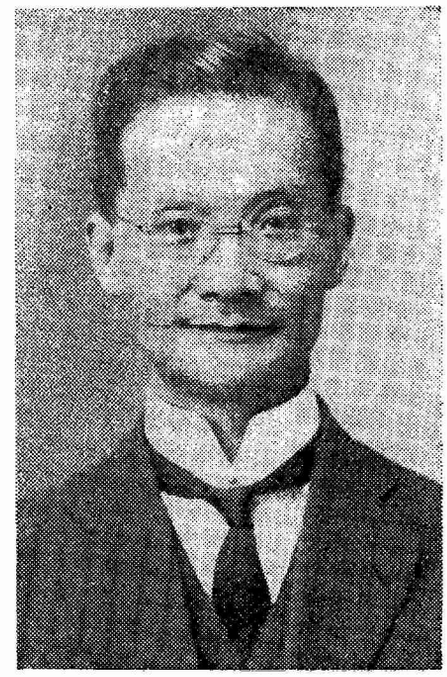
1—All anti-communist slogans and terms such as "red-bandits" are to be eliminated and in their place substituted the term "Red-Armies" when referring to the Communist military forces.
2—Mutual cessation of hostilities, both sides agreeing not to make any aggressive moves.
3—The People's Allied Armies agree not to cooperate in any drives on the Red capital at Juikin, Kiangsi and two red districts in Fukien, Chienning and Chungan, are to be transferred to the administration of the new party.
4—The People's Assembly agrees to surrender all Communist prisoners and discontinue all anti-communist propaganda.

Further reports from "undesignated sources" alleged that a secret understanding also had been reached with the Japanese where-

by the Japanese had agreed not to interfere with the administration so long as Japanese properties or nationals were not interfered with. This report apparently originated in the fact that "Special Ambassador" Sugimura recently visited Fukien as well as Hongkong where he interviewed several of the individuals now prominent in the new administration. However, it also is equally true that several American officials recently visited Fukien province and interviewed officials of the 19th Route Army, the American officials including Minister Nelson T. Johnson, Admiral F. B. Upham, Commercial Attache Julean Arnold and Military Attache Col. Walter S. Drysdale. Through a coincidence the flagship of the U. S. Asiatic squadron, the *Augusta*, commanded by Capt. C. W. Nimitz and with Minister Johnson and Admiral Upham aboard, was at Pagoda anchorage off Foochow on November 20 when the new government was formed. None of the officials, however, went ashore and the *Augusta* proceeded to Amoy where the Minister and Admiral transferred to the naval-yacht Isabel and went ashore, following which they proceeded to Hongkong and Canton.

Gen. Li Chi-sen, formerly Commander-in-chief of the 8th Revolutionary and Chief-of-Staff of the Headquarters of the Commander-in-chief of the Nationalist Revolutionary Forces, now Chairman of the People Government in Fukien.

Gen. Tsai Ting-kai, formerly Commander-in-Chief of the 19th Route Army, now Chairman of the Military Affairs Commission of the People's Government.



George Hsu Chien, formerly member of the Wuhan Nationalist Government, now Chief Secretary of the People's Government.

The Japanese on November 20 dispatched Tatsuo Kawai, first secretary of the Legation, stationed at Shanghai, to Foochow to make an investigation and on November 21 the Tokyo Foreign Office announced through Rengo that a special conference on the Fukien situation had been held, following which a declaration to the following effect was issued: "So far as the Imperial Japanese Government is concerned, it will pursue a policy of non-interference in the internal politics of China, and of 'watchful-waiting' with respect to the situation in Fukien....In case, however, things come to such a turn as to menace Japan's rights and Japanese lives and properties in the province, the Japanese Government is ready to take positive measures to protect them." Obviously unstated, was the further fact that the new political movement in Fukien is largely directed by the 19th Route Army which put up such strong resistance against Japanese encroachment at Shanghai early last year.

The *Shun Pao* on November 18 published a report from Amoy which told of some of the "inside" motives which inspired the movement, stating that trouble had been developing for a considerable period, but did not take concrete form until recently when Gen. Chen Ming-shu returned from Europe. Most of those participating in the "insubordination," according to this report, are former followers of Gen. Chen when he was head of the Kwangtung provincial administration. These men, it seems, have had no regular employment since Gen. Chen retired, hence they were active in the promotion of the "People's Government," which also attracted to its fold members of the so-called "Third Party" and also the "Social Democrats" of which group, Gen. Chen claims to be the head. When Gen. Chen Ming-shu first returned from Europe he held several conferences with Gen. Chiang Kwang-nai, chairman of the Fukien provincial Government, who allegedly supported the movement, but who was handicapped in expressing himself because of the alleged opposition of Gen. Tsai Ting-kai, commander of the 19th Route Army. Gen. Tsai contended that the 19th Route forces could not afford to participate in the movement because it could not depend upon Fukien province for support and received regular monthly subsidies of $600,000 from Nanking and $300,000 from Canton. Gen. Tsai therefore insisted that Gen. Chen Ming-shu go to Canton and interview Gen. Chen Chi-tang, head of the Kwangtung provincial administration.

Generals Chen Ming-shu and Chiang Kwang-nai then proceeded to Canton, but after several conferences Gen. Chen Chi-tang refused to participate in the movement. They then returned to Fukien and after obtaining the promise of co-operation of the "Third Party" they decided to go ahead and form the People's Government. There seems to be considerable mystery regarding the personnel and aims of the Third Party which claims to be neither Kuomintang (first) or Communist (second). According to some reports this group was headed by Madame Sun Yat-sen and while sympathetic to some of the aims of the Communists, really was not communistic. But Madame Sun Yat-sen, in a statement issued from her home in Shanghai on Tuesday denied any connection with the movement and denounced it along with the Kuomintang and other political groupings which she designated as "counter-revolutionists," composed of self-seeking individuals not sincerely interested in the welfare of the Chinese people.

Gen. Chen Ming-shu, formerly Commander of the 19th Route Army and Minister of Communications, now Chairman of the Political Affairs Committee of the People's Government.

Gen. Chen Chi-tang, Commander-in-chief of the 1st Group Army of Kwangtung, who is opposing the new independence move in Fukien.

Eugene Chen, formerly Minister of Foreign Affairs and member of the South-western Political Council, now Chairman of the Foreign Affairs Commission of the People's Government.

The *China Times*, liberal Chinese paper in Shanghai which is a member of the so-called "T. B. Chang Group" of newspapers which also includes the *China Press* and *Shanghai Evening News*, in the course of an extended editorial analysis of the Fukien situation, said that it probably would plunge the country into greater confusion than ever and was a suicidal move of the 19th Route Army, "because Formosa is on the east of Fukien, Canton and Gen. Chen Chi-tang on the south, the Communists on the west and the Government forces on the north, Fukien is therefore surrounded by enemies, of which the Japanese are most dangerous because the movement may provide the Japanese with an opportunity for occupation of Foochow and Amoy.... they may provide the Japanese with an excuse for extending their influence into the heart of Fukien, something which the 19th Route Army cannot prevent....as to the situation on the south, Gen. Chen Ming-shu's real ambition is to oust Gen. Chen Chi-tang from control of Kwangtung and place Li Chi-sum in his position....but should Fukien advance against Canton, this would permit Gen. Chiang Kai-shek to send a force into Fukien from Chekiang and northern Kiangsi....on the other hand should Gen. Chen Chi-tang attack Fukien he would in turn open the way for an advance into Kwangtung from Kwangsi....hence the situation is likely to become dead-locked for a considerable period.... therefore the most logical outcome will be an alliance between the 19th Route Army and the Kiangsi Communists, both of which groups are opposed to Gen. Chiang Kai-shek....but co-operation between these groups cannot last long ....thus the final outcome may be an invasion of Chekiang province, provided Gen. Chiang Kai-shek cannot send sufficient troops into that territory immediately."

Lin Sen, who occupies a position equivalent to President of the Nanking Government, recently made a trip to Fukien with the purpose of trying to pursuade the leaders of the 19th Route Army not to declare their independence. In a statement at the Central Kuomintang Headquarters at Nanking on Nov. 20 he said that the total military strength of Fukien is between eight and nine divisions, five of which belong to the 19th Route Army and the remainder being provincials. Owing to the impoverished state of the province, the support of the large army has constituted a heavy burden on the people, hence the people had been disillusioned as to the merits of the 19th Route Army, particularly when it had increased the taxes....however, the Army had maintained its discipline and "should constitute an important unit in the Kuomintang." Wang Ching-wei, head of the Executive Yuan, in a statement on Nov. 21 expressed the belief that

the so-called People's Government in Fukien really had been hatched and sponsored by a small minority of malcontents and really did not enjoy the support of a majority of the leaders in Fukien who were loyal to the Party. He forecasted the collapse of the movement in a short time. The National Government also issued a denunciation of the movement, expressing regret that it had developed "just when the bandit-communist campaign was meeting with repeated successes." Therefore to permit Chen Ming-shu to act with impunity would result in the devastation of the people and grave dangers to the nation, "hence all comrades must exert their utmost to remove the menace." A *Reuter* report from Nanking on Nov. 20 stated that the Government issued a further declaration following a session of the Central Political Council, indicating that Gen. Chiang Kai-shek and his ally in the South, Gen. Chen Chi-tang, probably would immediately launch a drive into Fukien.

Aside from the political complications caused by the new movement, a crisis also has developed in the finances of both north and south China. Nanking is experiencing difficulty in financing loans in Shanghai while serious runs have developed on Chinese banks in both Fukien and Kwangtung provinces.

As indicated in a previous consideration of the political situation in south China which appeared in *The Review* on Nov. 18, there are four more or less distinct political-military groupings in this area, the 19th Route Army in Fukien, Chen Chi-tang in Kwangtung, Generals Li Tsung-jen and Bei Tsung-chi in Kwangsi and the so-called Soviet Republic in Kiangsi. Heretofore they have had only one point of accord, opposition to the Communists, but in the backs of the minds of all of the leaders there probably always has been the question, "What will happen if or when the Communists are eliminated?" Up to the time of the Fukien declaration, Gen. Chiang Kai-shek had been able to hold Kwangsi, Kwangtung and Fukien together on the basis of the anti-red program, but it has been a costly enterprise necessitating heavy subsidies from the Nanking treasury, one of the reasons which caused the recent resignation of T. V. Soong. Then on top of the financial complications have been the potent elements of Japanese intrigue and the activities of Gen. Huang Fu in Peiping whose negotiations with the Japanese and Manchukuo have cast suspicion over the whole Nanking Government and provided Gen. Chiang's political enemies with the ammunition which they needed for precipitating an independence movement. Now that a break has developed in the "iron-ring" which Gen. Chiang Kai-shek had forged around the Kiangsi reds, anything may happen, because the material is there for a general conflagration. Gen. Chen Chi-tang, head of the Canton group, has been steadily building up his military machine, and while he has maintained his loyalty to the Central authorities at Nanking, he has been pressed from the rear by political elements such as Hu Han-ming who are bitterly opposed to Gen. Chiang Kai-shek and Wang Ching-wei. If Fukien and Kwangsi are really in alliance in the present movement and if an understanding has been reached with the Kiangsi reds, the result may be disastrous for Gen. Chen Chi-tang's control of Kwangtung and the elimination of Gen. Chen Chi-tang, might, conceivably pave the way for a southern alliance against Nanking that might contain many of the elements which made up the Nationalist Movement from Canton in 1926-1927. And as the Nationalist Movement at the beginning was "anti-imperialist," with the British as the chief victims, the situation might this time be quite similar with the substitution of the Japanese for the British. At any rate there seems to be plenty of conclusive evidence that the Chinese revolution is not completed and that an anti-Japanese program might provide a rallying cry which would attract all elements into another so-called "mass-movement."

Government Wins Decisive Victory in Kiangsi

One of the most decisive victories of the anti-communist campaign in Kiangsi was scored by the government troops early on the morning of Nov. 20 after a heavy engagement at Tayuankwan, west of Nantseng. Three divisons of the enemy troops, according to a special bulletin issued by the office of the Generalissimo, made a surprise attack on the previous evening upon the government forces stationed in the vicinity of Tayuankwan. The 9th division, led by commander Li, bore the brunt of the attack and finally routed the enemy and won a decisive victory.

Further Government victories over the "Reds" in Kiangsi are reported in telegraphic messages received at the Nanchang Headquarters. One battalion of the reserve regiment attached to the 4th Division under Lieut.-General Hsing Chen-nan has routed several hundred bandits at Kuomenchiao in the Shangjao district, eastern Kiangsi. More than 30 outlaws were killed.

An order for the recapture of Lokiangkow and Suanhan, about 60 miles north-west of Wanhsien, has been issued by General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression forces, to the 5th Route Army under General Wang Ling-chi.

Pursuant to instructions from General Chiang Kai-shek, members of the Hupeh Provincial Party Headquarters set out for the bandit-suppression areas in five groups Nov. 16 to assist the Government troops in establishing friendly contact with the people.

An official reception was tendered by the Provisional Headquarters of General Chiang Kai-shek at Nanchang Nov. 10 to welcome Chang Chi, member of the Central Supervisory Committee, who came there from the Capital as the envoy of the Central authorities to confer the Banner of Honor on the 24th Regiment.

Besides directing the bandit-suppression campaign in Nanchang, General Chiang Kai-shek is devoting special attention to the welfare of the rural population in Kiangsi province. In separate telegrams to President Wang Ching-wei and Dr. H. H. Kung, Minister of Finance, General Chiang urges that a sum of $1,800,000 be remitted within three months in order provide emergency relief for the people of the various districts recaptured by the Government troops from the "Reds." He points out that the old and the young and those completely destitute, due to the ravages of the outlaws, are badly in need of immediate relief. General Chiang requests that the funds be appropriated in three monthly instalments to meet the urgent demands for relief work.

Chinese newspaper reports state that Mrs. Chiang Kai-shek, who came down to Shanghai from Nanchang by air last week for the special purpose of seeing T. V. Soong and Dr. H. H. Kung on behalf of her husband, when she returned to Nanchang Nov. 17 by airplane took along with her the first installment of $600,000.

In view of the fact that communists have frequently been discovered carrying out their activities in the guise of teachers in primary schools, the Military Affairs Commission has requested the Ministry of Education to order the various Provincial Departments and Municipal Bureaus of Education to pay particular attention to the speech and conduct of primary school teachers.

An office to take charge of all health work in Kiangsi province has been established in Nanchang following the arrival of Dr. Mei I-lin, technical expert of the National Economic Council, and his party.

Rehabilitation measures for western Hupeh have been decided upon between General Chang Chun, Chairman of the Hupeh Provincial Government, and General Hsu Yuan-chuan, Commander-in-Chief of the Bandit-suppression forces for the Hupeh-Hunan border.

The United States Recognizes Soviet Russia

PRESIDENT Roosevelt announced November 17 that the United States had agreed to resume normal relations with the Soviet Government—thereby bringing into diplomatic relationship the mightiest of capitalistic nations and a country with an even greater population, which has embarked on the greatest experiment of communistic government that the world has ever seen, or for that matter ever conceived as being a possibility up until a little over a decade ago. American policy has changed in many things since the Roosevelt administration, but the recognition of Russia is the greatest change of all. Probably no government in the world has ever been lied about more than the Soviet government, particularly during the earlier years of its history. Whatever opinions one may have either as to the ethics of the Soviet system or the means employed to attain it, it has to be accorded the tribute that it has been a success—and in no country in the world is that fact relied on more as the measure of merit than in the United States itself.

Soviet Russia in its negotiations with the United States has come through with flying colors. Gone are the days when such a cartoon as that published several years ago depicting a supplicating wild-eyed Russian pleadingly asking, "Vy don't you reckoknice me?," to which a disdainful Uncle Sam replies, "Because I *know* you!," is possible. The main counts against the Soviets have been that they didn't pay the debts of their predecessors in office and also that their propaganda was distasteful to American ideals. But in these days the Soviet government is only one among many that has refused to pay up. This phase of the negotiations between the Roosevelt Administration and M. Litivinoff, Soviet Commissar for Foreign Affairs, who conducted the negotiations on behalf of the Soviets, was calmly smothered by the Soviets making a claim against America for alleged damage done to Russia when the American government (with others) sent troops to Siberia in 1918 for the ostensible purpose of rescuing the Czecho-Slovak prisoners. As regards Bolshevik propaganda in the United States, no direct reference was made in the arrangement arrived at. It is merely stipulated that neither government shall carry on propaganda or interfere in the internal affairs of the other. There is however, a stipulation that Americans residing in Russia shall be allowed freedom of worship. One of the almost inevitable results of the closer relations between the Soviet Union and the United States will be that the highly capitalistic flavor of American life will be more and more tempered with communistic principles—the trend has already begun—and that the out-and-out communistic ideal of the Soviets will be more and more infected with capitalistic ideas—and this trend is also evident—so that in the end both countries will probably be much better places for the average citizen to live in than they are at the present time.

The Soviets have appointed as Ambassador to the United States, Mr. Troyanovsky, who was the Soviet ambassador in Tokyo during Japan's penetration into Manchuria and China. He is probably the Soviet's leading expert on Far Eastern affairs.

Simultaneous with the announcement of recognition, President Roosevelt announced that William C. Bullitt had been appointed Ambassador to the U. S. S. R., thus giving signal honor to a man of great ability, who had been descredited by previous administrations. Mr. Bullitt was sent as the head of a mission to Russia in 1918 by President Wilson to investigate the Bolshevik regime and because he expressed, among other opinions that were highly distasteful to the then leaders at Washington, his opinion that the Soviet regime had been erected on solid foundations and would probably endure, his report was quietly laid aside and he himself was suspected of having been "bought" over. The Foreign Relations Committee of the U. S. Senate held an investigation of the mission in the early part of 1919. Among the matters disclosed was that Mr. Bullitt had written Col. House in January, 1919, that the American (and other) troops at Archangelsk were not serving any useful purpose, that they were in danger of destruction, and merely encouraged Bolshevik recruiting.

Among the eight documents signed in connection with America's recognition of the Soviets was a formal protocol providing that a consular convention should be negotiated giving Americans in Russia the same civil rights enjoyed by other foreigners; a memo by M. Litvinov defining what the Soviet practice would be with regard to prosecution for economic espionage; an agreement whereby the Soviet Union, preparatory to final settlement of American claims and Russian counter-claims, guaranted to make no claim with respect to court judgments or official actions affecting the obligations of the Russian Government; and a joint statement saying that they had exchanged views with regard to methods for settling all outstanding questions of indebtedness and speedy solution to these stimulated Bolshevik problems.

Full particulars of the negotiations that were carried on between President Roosevelt and M. Litvinov, during the ten days prior to the announncement of recognition, have not been made public; and many details of the relations between the two countries are still to be worked out. The fact of recognition was briefly recorded in the following exohange of letters:

ROOSEVELT TO LITVINOV:—"I am very happy that, as the result of our conversations, the United States decided to establish normal diplomatic relations with the USSR, and exchange ambassadors. I hope that the relations established now between our peoples will remain normal and friendly forever, and that our peoples will also in future cooperate for the mutual benefit and for the maintenance of the world peace."

LITVINOV TO ROOSEVELT:—"I am glad to inform you that the USSR is readily prepared to establish normal diplomatic relations with United States and to exchange ambassadors.

Whatever other motives President Roosevelt may have had to recognize the Soviets the principal one seems to be that he believes that the resultant trade between the U.S.A. and Russia, particularly because of purchases by the latter, will have an enormous influence in improving economic conditions. The steel rail, machinery and automobile industries expect orders from the Soviets amounting to many millions, this despite the fact that the Roosevelt administration has so far not shown itself inclined to accord Moscow the enormous credits which would be necessary to fiance the huge Russian orders that have been predicted—totalling, according to some reports, almost a billion dollars. It is surmised also that the Far Eastern situation had a considerable influence on the Roosevelt administration's decision to accord recognition to the Soviets.

Immediately upon the recognition being effected, the Soviets took over the old Russian Legation building in Washington, which had been closed since the downfall of the Kerensky regime in 1917. Truckloads of documents belonging to the old regime, representatives of which are still stationed in Washington, were removed from the building as soon as the fact became definitely known that recognition would take place.

Japanese Affect Indifference, But—

The Japanese, generally, affect an indifference to the fact that America has accorded recognition, but their true thoughts are probably expressed in a statement by their principal foreign propagandist, George Bronson Rea, an American newspaperman long resident in Shanghai, whose official designation is Manchukuo counsellor on foreign affairs. In a "warning" issued in Washington Nov. 19 he spoke of the possibility of the United States being involved in a war in the Pacific, as a result of its economic and financial ties with Russia, if the loans and credits it grants to the Soviets are used for further preparations in Central Asia and Siberia. He added that the outlook for peace is far from bright, and any untoward incident on the border might precipitate a crisis which would drag America into the conflict on the side to which it is attached by its investments.

A *Rengo* message from Tokyo Nov. 18 said the general sentiment in Japan was that recognition comes quite as was expected and there is no cause for surprise. The opinion was expressed in Tokyo that the Soviet Union is likely to play the American recognition to its fullest advantage, and accordingly relations which bind the two countries both directly and indirectly will be great.

It was also predicted in Tokyo that the Soviet Union by the American recognition, will wield a stronger policy towards European countries as well as to those in the Far East. the immediate result of which will be that the Soviet-Manchukuo negotiatons for the transfer of the C.E.R. will be delayed further; also that the Soviets will take a firmer stand towards the new State of Manchukuo, and this might bring about various disputes between the two countries. It is also feared in some quarters in Japan that the recognition by the United States will greatly contribute towards the economic construction of Russia, and this in future might help the spreading of Red propaganda in China, India and other countries in the Near East and disturb peace in the Orient. A spokesman of the Japanese War Office said that so far as Japan is concerned, she does not see any reason to change her foreign policy towards the Soviet Union or the United States as the result of recognition. The War Office spokesman expressed fears that communist activities in the United States might compel her in future to think that she gained nothing fruitful in extending recognition to the Soviets.

Chinese Opinion on Recognition Favorable, But Not Enthusiastic

Chinese opinion is on the whole eulogistic of the American recognition, but not quite so whole-hearted as Americans might have expected. This Chinese attitude is easily understandable from the fact that China has a very formidable Communist problem on its hands. Incidentally it is to be noted that the negotiations for the conclusion of a non-aggression pact between China and Soviet Russia. which were initiated some time ago, have practically come to a deadlock. The *Sin Wen Pao* points out that the restoration of Soviet-American relations is bound to prompt the Japanese to hasten their preparations for a second world war, the repercussions of which on China would scarcely be favorable. Its says the Soviet-American rapprochement can hardly be regarded by China as an occasion for rejoicing and the second world conflagration is likely to break out even before 1936; therefore the Chinese nation must make preparations immediately to cope with the situation. The *Chen Pao* points out that U. S. recognition has been brought about largely by economic considerations. Coming as it does at a time when the relations of both the U.S. and the Soviets with Japan are none too friendly, the recognition may also be regarded as tantamount to a Soviet-American alliance against Japan. In the event of a Soviet-Japanese or an American-Japanese conflict, neither America nor Soviet Russia will be fighting single-handed. However the *Chen Pao* keeps in mind that the battlefield for a second world war is likely to be on Chinese territory. Sun Fo, president of the Executive Yuan, said America's recognition will tend to strengthen the security for peace in the Far East and to check in a certain degreethe unrestrained march by Japan towards the path of a second World War.

In a broadcast speech from Moscow, Nov. 20, M. Kalinin, Chairman of the Central Executive Committee of the USSR, delivered a speech to Americans in which he said:—"I strongly believe that now will begin the era of fruitful manifold cooperation between our two nations. I am convinced that the joy we feel on this occasion is shared by everybody all over the world, for whom is dear the progress of humanity and peace among nations."

Izvestia commented:—"The establishment of normal diplomatic relations is an event of greatest historical importance, as an act which puts an end to the struggle of the capitalist world against the recognition of the fact that the world now consists of two systems, capitalistic and socialistic. It ends the struggle against the recognition of juridical equality of the socialistic system.

The London *Daily Herald* expressed the wish that the British Government follow Roosevelt's example in expanding possibilities of trade with the U.S.S.R.

The French newspapers referred to the recognition as "the most important victory of the Soviets, prepared by Stalin's cool and calm peace policy."

The *Deutsche Allgemeine Zeitung* in an editorial expressed the belief that recognition will have a great influence on the Far-Eastern situation. The *Koelnische Zeitung* stated that the recognition will have a calming influence on the strained international economic and political situation.

Fear that the United States might replace Germany as the chief recipient of Soviet purchases is an acute factor in determining the German attitude. Russia has risen to the rank of Germany's best customers and, even though the Bolsheviki have lately been buying less from German industries, they continue to absorb an important share of Germany's dwindling exports. The Germans are well aware that, under approximately equivalent financial conditions, the Soviets today would prefer to do their shopping in the United States.

Official calls were interchanged by I. Spilvanek, Soviet Consul-General, and Edwin S. Cunningham, United States Consul-General, in Shanghai as the result of the American recognition of Soviet Russia.

The editorials of the Scripps-Howard newspapers stress that Soviet-American rapprochement is of greater importance than mere recognition, assuring "far-reaching economic and diplomatic cooperation." The New-York *Times*, pointing out that negotiations took only ten days, writes: "The future historian may name them ten days which stabilized the situation of the whole world."

Vancouver Sun Publisher Sees Benefit to Canada

Among the many prominent people who are gratified that the United States has recongized Soviet Russia is Robert Cromie, publisher of the *Vancouver Sun*, who in his newspaper and in public addresses has stressed the point, not that communism is an ideal kind of government, but that it is important for the Anglo-Saxon people to study and understand the Russian people and the new spirit that enthuses them. In a recent address before the Vancouver Board of Trade Mr. Cromie said that where Russia differs from America is that the rewards in money and in recognition go, not for exploitation and manipulation, but for effort and endeavor. He urged that there should be an exchange of trade between Russia and Canada. There is, for example, no reason he said, why Canada should not swap with Russia $10,000,000 worth of cattle for a similar value in hard coal. Mr. Cromie expects to see Vancouver and Canada share in the large trade that is expected to develop with Russia as the result of the recognition by the U.S.A.

The new King of Afghanistan Mohammed Zahir Khan has informed the Soviet Government that his Government desires to maintain and strengthen friendly relations with the U.S.S.R.

Great Northern Telegraph Co. Refused to Fly Chinese Flag on Independence Day

In a recent dispatch to the Great Northern Telegraph Company, the Ministry of Communications protested against the action of the Company's authorities in prohibiting the hoisting of the Chinese National Flag over the cable-delivery and acceptance offices in Shanghai on National Independence Day (Oct. 10.) The Ministry pointed out that as these offices are established by the Chinese Government, the National emblem must be flown on appropriate occasions just as in other organs of the Government. The contention of the Company, transmitted through the International Bureau of Telegraphs, to the effect that the hoisting of the National Flag over the said offices is most extraodinary, serves further to disclose the desire of the Company to obstruct the hoisting of the Chinese National Flag, and is derogatory to the sovereign rights of the Chinese Government.

Partisan Politics and Fascism in Japan

CHEN PIN-HO (陳彬龢)

FOLLOWING proclamation of the Constitution of February 11, 1889 (22nd year of Meiji) political parties have gradually emerged into the limelight and have played important parts on the political stage of Japan. During recent decades the Seiyukai and Minseito parties have been two outstanding powers of the constitutional government.

However, Japan's capitalist revolution was of a very modified nature. Its leadership has been vested in the omnipotent clique of militarists who, inspired by European and American democratic influence, took the initiative to adopt patent reforms of constitutionism but retained the actual power under their own grip.

On account of the protracted period of "economic confinement," Japan's capitalist system was devoid of the necessary impetus to back up a true revolutionary movement, and, as a result, the political parties representing Japanese capitalism have been under the sway of the military clique, in spite of their prominent position. Throughout the years of the last chapter of the 19th century and the early part of the 20th century, when the constitutional movement was in full swing, Japanese political parties were, nevertheless, controlled by imperialistic militarists and bureaucrats.

The execution of state affairs must be previously agreed by the military clique and approved by the Privy Council. Finally, it should be sanctioned by heads of nobles, such as the Duke of Saionji. None of the partisan cabinets of any period were able to exercise their powers freely. Instead, they had to follow the lead of militarists and bureaucrats and to be contented with a subordinate position. Otherwise they were either molested or deposed from power. The fact that, on a number of occasions in the past, non-partisan cabinets were formed, symbolizes the strong grip maintained by the militarists and bureaucrats upon government affairs.

The so-called partisan cabinets formed during the past usually consisted of non-partisan members. Even in the administration of K. Hara, who was a strong advocator of the partisan cabinet system, the positions of War and Navy Ministers were occupied by two non-partisan members—Yoshio Tanaka and Yuzaburo Kato, respectively.

Growth of Fascism and Downfall of Partisan Politics

To-day, the star of Japanese political parties is rapidly descending and the grip of militarists and bureaucrats upon the government is further tightened. The situation is drifting towards "fascism." Coincidentally, the militarists and bureaucrats are strong advocators of the fascist movement in Japan.

The conspirators and murderers involved in the assassination of Premier Kowai Inukai on May 15, 1932, were either military men or self-styled patriots maintaining close contacts with the bureaucracy and, particularly, the War Ministry.

In ordinary times when there are no international complications to agitate domestic feelings, the Japanese political parties are able to get along with militarists and bureaucrats through compromises. As soon as emergency occurs, the political parties usually find themselves unable to meet the difficult task confronting them. At this juncture, the militarists and bureaucrats unhesitatingly and openly take the situation into their own hands. The murder of Premier Inukai, followed by collapse of the political parties and rapid growth of fascism, clearly indicates the state of affairs prevailing in that country.

Following the world-wide economic depression since 1929, Japan has been confronted with an imminent crisis resulting from under-production, slump in prices, failures of industrial enterprises, unemployment and general deterioration of her economic system. Under such a situation, general uneasiness among the people cannot be avoided, whether the Seiyukai or the Minseito is at the helm of the state and whatever the political platform may be.

It has been the opinion of Japanese military leaders that the only solution of economic depression lies in a struggle for additional markets. Military campaigns were launched on September 18, 1931 in Manchuria and again on January 28, 1932 at Shanghai, in the efforts to obtain, by force, the Manchuria-Mongolia and East China markets.

The aggressive wars against China have been under the direction of the War Ministry, supposedly with the approval of the Minseito Cabinet which was in power at the beginning of the campaign and, later on, of the Seiyukai Cabinet. However, in the matter of policy concerning war activities, the military clique has differed considerably with both the Minseito and the Seiyukai leaders. The situation is exemplified by the contradictory utterances of the War Ministry and Foreign Minister Kenkichi Yoshizawa as well as the fact that the movements of the Kwantung Army in Manchuria have entirely been under the orders of the military clique and beyond the control of the so-called government. For instance, when the Japanese Foreign Office was offering pledges to the League of Nations to the effect that Japan would not occupy Chinchow, Japanese troops were already advancing on that city and simultaneously making further attacks upon Shanghai and the Peiping-Tientsin area of North China.

Although the present occupation of Manchuria by military force has been the premediated plan of Japanese militarists and bureaucrats, it was probably not fancied seriously beforehand by the political parties representing Japanese capitalism. At least, the latter would have hesitated to take such drastic action as already occurred.

The Seiyukai party has been more aptly sensitive to the opposition of militarists and fascists, who are supported by the War Ministry. Further, due to continuation of economic depression and expansion of military expenditures, Japan's national disbursements increased from Yen 1,300,000,000 in 1931 to Yen 2,000,000,000 in 1932 and Yen 2,300,000,000 in 1933. Her financial difficulties have mounted, and the sufferings of the people have become more serious than ever. Under such cirstances, the Seiyukai party has virtually been the "target" of general animosities. Meanwhile, corruption and bribery among the ranks of the party have been in evidence during recent years, thus further alienating public confidence.

Distrustfulness and incapability of the political party in power have machinated towards upgrowth of oppositions. The threat upon the Japanese economic system by chronic depression and continued warfare against China have served only to accelerate the distressing conditions of the people, compelling them to adopt the two extreme phases of revolution—communism (leftism) and fascism.

The development of leftism in Japan is strictly kept from the outside world. Whatever appeared in the newspapers has consisted of such sentences as "all Japanese communists have been suppressed" or "communist influence is extinct"—which are apparently unbelievable. Simultaneously, it has been noted that strikes and the number of arrests connected with the leftist movement in Japan have rapidly increased. In this connection there is quoted below an item appearing in the *Yorinuri Shimbun* (Tokyo) of October 26, 1933:—

> "The student movement connected with the Takegawa incident is under the auspices of Leftists who are in close cooperation with the Union of Communist Youth in Japan, in an endeavor to characterize the movement as a "red" uprising. Their activities were resumed at the school opening after the summer vacation. The Fuji Police Department have cooperated with the authorities of the Tokyo Imperial University in making arrests. Up to the end of September, 362 students have been prosecuted. The total of arrests in connection with the Takegawa affair amounts to about 500 from January of this year up to the present at the Tokyo Imperial University alone."

From this report, a general idea of the leftist movement in Japan may be formed. It is pointed out here that (1) since there have been about 500 arrested from the Tokyo Imperial University, the number arrested from the Kyoto Imperial University in which the Takegawa affair took place should be more, and the total for all of the seven imperial universities as well as other schools in Japan should be significant; (2) the leftist movement has not only affected laborers and the peasantry but also the intellectual and petit bourgeois classes; and (3) that since so many arrests have been scored at schools, the number of laborers and farmers arrested should be much greater.

Leftist Movement in Process of Fermentation

In general, however, the leftist movement is still in the process of fermentation. International wars and resultant crises of the economic, industrial and social systems will bring about great advances of leftism in Japan.

At present, the growth of fascism is much more rapid than the leftist movement. Fundamentally speaking, fascism is a phenomenal development upon the downfall of capitalism. As Japan remains overridden by the feudalistic forces of militarists and bureaucrats, and since imperialistic nationalism is deep-seated in the minds of a large percentage of the people, she has all the prerequisite conditions of fascism. Corruption and impotence of the Japanese political parties have further contributed towards fascism development, to say nothing of the stimulus given by the War Ministry. Thus it is no surprise to find that the fascist movement has assumed great proportions in Japan.

Premier Hamaguchi of the Minseito cabinet, Premier Inukai of the Seiyukai cabinet, D. Takumaku (one of Japan's leading financers), and Finance Minister Jinnosuke Inone were all assassinated by fascist dare-devils. The May 15th incident and subsequent fascist activities have caused the government and general public great amazement. It has virtually sounded the death-knell of partisan politics in Japan. As soon as the Seiyukai cabinet, the last of partisan regimes, collapsed, a national administration has been formed under Premier Minoru Saito.

Japanese fascism is somewhat different from fascist movements in other countries. It has no centralized organization, but is divided into many small factions, principal among which are the Kokulinkai (Black Dragon Society), the Genyosha, the Ketsumeidan (Death Band), the People's Union (organized by Kengo Atachi and Seigo Nakano of the bureaucracy), the Retired Military Men's Society, and the Youths' Band. Fascist influence is also manifest among the ranks of the army and navy, since War Minister Sadao Araki is a strong fascist advocator himself. It has affected the members of political parties as well.

The Minoru Saito Regime

Upon collapse of the Seiyukai regime following the assassination of Premier Inukai on May 15, 1932, the difficult question of choosing the new cabinet caused suspense in the entire nation. The principal candidates were Kisaburo Sutzuki, President of the Seiyukai; Reshiro Wakatzuki, President of the Minseito; Kichiro Hiranuma, one of the fascist leaders; and Minoru Saito, a "coalition" leader. From the standpoint of the parliamentary system, it was only logical that the verdict to organize the new cabinet should be given Sutzuki, since the Seiyukai occupied a positive majority of 305 seats in the House of Representatives. If the question of responsibility for the May 15th incident was considered, the verdict should fall on Wakatzuki of the Minseito. At the moment, however, the Seiyukai had become the prey of general enmity and should Sutzuki be appointed to form another Seiyukai cabinet, it would arouse further strong opposition. The Minseito was comparatively weak insofar as its power in the House and political platform were concerned. It was generally considered, too, that the Minseito would not be able to shoulder the heavy task of extraordinary emergency. Meanwhile the Seiyukai and Minseito leaders did not want, of course, to repeat the experience of Premier Inukai.

It appeared then that Hiranuma, a fascist leader, should be an expedient candidate to form the new cabinet. Provided that there was unification, under a single leadership, among the Japanese fascists that scatter all over the country, Japan would have been ruled by a fascist dictator. However, the organization of the fascist movement prior to and after the May 15th incident has been decentralized and disorderly. Even should Hiranuma be appointed to form a fascist cabinet, the political situation would remain in a state of confusion. Domestically, he would expect no co-operation from the existing political parties and internationally he would find Japan more secluded from foreign Powers than ever. Although the fascists would never give up their ambition to assume government power, they considered that the time was not ripe and a liaison should be found to bridge over the transitional period.

Hence, the Saito coalition cabinet was set up. Such an organization was welcomed by both the Seiyukai and the Minseito, in that they knew it was impossible for themselves to come into power, while anticipating their complete elimination should a fascist regime come into being. The Saito administration would at least serve as a "neutral zone" between partisan politics and fascism and might also prevent the rapid advance of the fascist movement. Thus, the Seiyukai and the Minseito leaders did everything possible to support the Saito regime and their members have gladly participated in the coalition cabinet.

The Saito cabinet supported by the Seiyukai, the Minseito and the fascists, have consistently yielded to the sway of militarists. During this regime, the campaign for invasion of Jehol (Chinese territory) was carried out; Japan withdrew from the League of Nations; and military expenses were considerably enlarged. In matters of financial, diplomatic and military competence, Premier Saito has entirely submitted to the dictation of the militarists. Although at times Premier Saito and Finance Minister Korekujo Takahashi (particularly the latter) were at loggerheads with War Minister Sadao Araki and Navy Minister Mineo Osumi, the militarists have been successful in bringing the civilian leaders to bow to their decisions.

No Consistent Political Platform

The coalition cabinet has had no consistent political platform of its own. It has come into being merely through a compromise between political powers in Japan at the opportunity offered by the situation following the May 15th incident. It was generally believed that this cabinet would be of a "makeshift" nature. But, it has stood through trouble after trouble and is still carrying on at the surprise of everybody. The reason for its prolonged existence lies, however, in the very fact that the Saito regime is devoid of any definite platform. It adjusts itself to whatever changes may occur in the political situation. Should a strong and efficient cabinet be formed after the May 15th incident, the reaction of fascists would have been such as to overthrow it.

But the indifferent attitude of the present administration does not fulfill general expectations. All outstanding questions in domestic and international situation must be fundamentally settled. Neither the military clique nor the civilian leaders will allow the situation to drift along the present course.

In this connection, there have been two schools of opinion—one advocating overthrow of the present regime, and the other urging partial reorganization. Kisaburo Sutzuki of the Seiyukai is the leader of the aggressive elements advocating complete overthrow. As the Seiyukai members occupy a positive majority of 305 seats in the House of Representatives, the verdict to form a cabinet should have been conferred upon this party had it not been due to the responsibility in regard to the May 15th incident as well as to the inability of the party to handle the difficult situation prevailing in Japan. Although the Seiyukai allowed the government to be temporarily transferred into the hands of Minoru Saito, it has never abandoned the hope of setting up a partisan regime again. Ever since the formation of the Saito cabinet, the Seiyukai has continually endeavored to come back to power. Prolongation of the period of subjugation on the part of the party leader makes it difficult for him to control party members. Subsequent to the collapse of the Inukai cabinet, the Seiyukai has already been divided into three factions: (a) aggressive faction under Kisaburo Sutzuki; (b) conservative faction under Takeshiro Tokonami; and (c) unification faction under Fusanasuki Kuhara. ("Decline of Partisan Politics" appearing in the "Kaizo" of July 1933.) The gap between these factions has gradually been widened, and unless something is done to mitigate the situation, the Seiyukai party itself will be ruined through disintegration. Kisaburo Sutzuki, as president of the Seiyukai, has considered the obtaining of government power as a means of consolidating the party organization.

In view of the differences among party members and general distrust of the party by the people, Sutzuki is not in a position to combat the Saito regime single-handed. In the spring of this year (1933), Finance Minister Takahashi (member of the Seiyukai) verbally promised Sutzuki that as soon as the Diet come to a close on April 20, 1933 he would resign from the position of Finance Minister. Accordingly, Sutzuki awaited for the fulfilment of Takahashi's promise, since the resignation of Takahashi would cause a breakdown of the Saito cabinet. When the time arrived in April, however, Finance Minister Takahashi failed to keep his word, thus frustrating Sutzuki's plan. ("What's on the Mind of Takahashi" appearing in the Central Review, July 1933.)

(To be continued)

The Huang-Okamura Negotiations and the Outlook

(By a Chinese Correspondent at Peiping)

WE have had, at the end of last and the beginning of this month, evidence on every hand that the stage was being set at Peiping for a Sino-Japanese parley analogous to, if not more important than, the Tangku Conference, which resulted in the signing of the Tangku Truce. The return of General Huang Fu and other Japan-trained leaders from the south, the succession of Yin Tung to Chien Tsung-che as Director of the P.M.R., and the appointment and installation of Messrs. Yin Ju-keng and Tao Shang-ming as Administrative Commissioners for Chihsien-Miyun and Luantung-Yukwan (Shanhaikwan) districts respectively, were unmistakable expressions on China's part of what the Japanese are only too prone to insist on from other people—that is, "frankness and sincerity." These friendly acts were, however, duly reciprocated. For then it was that Mr. Ariyoshi, the Japanese Minister saw it fit to pay Peiping the first visit in a twelve-month. And his arrival was recently followed by that of Major-General Okamura, Vice-Chief-of-Staff of the Kwantung Army.

The presence of these high diplomatic and military emissaries lent color to the surmise of the public that the outstanding issues between China and Japan would all be canvassed by the negotiators. A daily paper here went so far as to report that direct negotiations for a final settlement of the Sino-Japanese controversy had been entered into, during the last few days of October, by Gen. Huang Fu and Mr. Ariyoshi in the quiet out-town setting of the Summer Palace. Whatever value might be assigned to this report, it is evident that a complete liquidation of the whole dispute would be possible only after the multifarious concrete and particular questions are successfully straightened out. And it is in the latter task that the assistance of Major-General Okamura, representing the authorities in Manchuria, was found indispensable.

Okamura came, therefore, with the mission of adjusting the various relations between the two sides of the Great Wall, thereby forcing on China a de facto recognition of the existence of "Manchukuo." Three questions mainly stand in need of adjustment, namely, through railway traffic between Peiping and Mukden, postal facilities across the Wall both ways, and the establishment of Customs offices along the Wall passes. The first, it may be recalled, is an old question raised as far back as the Dairen Conference, held sometime after the Tangku Truce. Its early settlement was predicted by Yin Tung, and some communications quarters had it that through traffic on P. M. R. will become a fact not later than the first of December. One of the arrangements proposed by China was that no train bearing other than P. M. R.'s insignias will be allowed to proceed inside the Wall. As to the second question, it has been freely admitted to be much more difficult since it touches more closely on the subject of recognition. However, the Chinese negotiators tried to circumvent this difficulty by insisting on the substitution of the old Dairen stamps for the "Manchukuo" ones and on the proscription of the inscription "Manchukuo." The same delicate position regarding recognition is true of the last question where the Chinese sought to evade the issue by considering new Customs offices to be opened along the Wall passes as old ones of Yingkow, Harbin, etc., moved south on account of the fact that they have been rendered non-functioning by force majeure. And a certain Deputy Commissioner of Customs, Ting, had been entrusted by the Finance Ministry to study into the matter.

It was soon clear that the Chinese and Japanese negotiators did not come across any great obstacle and that an agreement would before long be solemnized in black and white. The press was quick to react to the progress of events, as shown by the fact that it no longer suspected or apprehended, but deplored and condemned, the likely success of a so-called raprochement. The net burden of its arguments is that an agreement with the Japanese on these three questions would, in spite of the many round-about devices and cautious phraseology, constitute a recognition, however indirect, of "Manchukuo" or at least of Japan's unchallengable control of Manchuria.

When it appeared almost certain that the negotiations would result in a definite agreement, they actually came to a hitch and were quickly abandoned. The first indication of trouble was furnished by Major-General Okamura suddenly breaking his business routine of calls and interviews with a sight-seeing excursion to the western outskirts of Peiping. Word was then given out by the Japanese Legation that the general had to shorten his stay in Peiping owing to the pressure of duties at Changchun. On his departure Okamura denied that any discussion had been held on the three questions for whose solution, it is now an open secret, he undertook the present mission, adding that the only matters arranged were the retrocession of Shanhaikwan, the rehabilitation of Funing district in Luantung, and the withdrawal of the "Manchukuo" garrison from Tungling (Eastern Tombs) near Malangyu.

What, it may be asked, was it that wrecked the negotiations? The answer would not be far wrong that it was a revolt at Nanking against the so-called Pro-Japanese policy. After several months putting up with the diplomacy of General Huang Fu, a portion of the C. E. C. members decided that the time had come that they call a halt. The resolution passed by the Central Political Council which vests in that body a more complete and effective control over the conduct of foreign relations, the virtual interrogation of President Wang Ching-wei in the Legislative Yuan concerning the Sino-Japanese negotiations in Peiping, and a proposal to the Central Government for the reorganization of the Peiping Political Readjustment Council along the lines of less departments and narrowed powers were winds blowing in the same direction. It thus remains to be seen how General Huang Fu can thrust aside these checks.

If this is a correct reading of the situation, then the outlook in North China will remain in broad outline what it has been during the past few months. Japan frustrated will return to the old game of intrigue and incommodation in the demilitarized zone. For her there is always an invincible cudgel in the Tangku Armistice. Banditry, it is true, was for the time being clear off Luan-tung; but its menace was not rooted out. Driven out of Funing, the outlaws still found free and easy passage through the passes held by the Japanese into Jehol, there to bide their time for fresh raids. In the all but ruined recaptured city of Funing the question as to who should garrison it was decided by the Japanese in favor of the troops of Liu Tso-chow, a subordinate of the renegade general Li Chi-chun. Although Okamura promised to set aside this award and leave the matter to the Chinese authorities, time has yet to tell if he is as good as his word.

It is, moreover, significant to note that just as General Li Chi-chun would soon have to wind up his post as the Disbandment Commissioner of Luantung, a series of nefarious and secessionist activities are now being carried on by some of his most trusted lieutenants like Cheng Yen-hou and Liu Pei-chen. These men, styling themselves members of a War District Investigation Commission, with headquarters at Tangshan and Shanhaikwan, have conducted seductive propaganda on an extensive scale, hoping thereby to enlist the help of local gentry and to inflame the sentiments of the masses toward the eventual establishment of a "Huapeikuo," analogous and akin to the "Manchukuo." General Li Chi-chun himself is now at Dairen, whether preparatory to retirement or to cutting another role it is not easy to say. One thing, however, is clear: The Japanese have not yet achieved a position to dispense with his traitorous services and he may still desire to further exploit his own indispensableness. Such are ominous factors indeed!

Peiping, November 18, 1933.

Finance Minister Takahashi Cuts Estimates All Round

FINANCE Minister Takahashi, the aged but redoubtable opponent of the War and Navy parties, (who would burden posterity with unbearable financial loads if they were not checked at least in some measure,) has during the past week incurred the particular wrath of the military party by finally fixing the total amount of budget estimates for the next fiscal year at Yen 2,017,000,000—a drastic reduction of some Yen 300,000,000 as compared with the surface figures of the current year's budget. The Finance Minister's assessments of budgetary estimates have been received generally favorably, showing as they do a drastic retrenchment in figures quite in consonance with the general financial stringency of the country. The Navy clique is even more peeved than the Army. Although Nov. 19 was Sunday, high officials of the Navy Ministry and the Naval Board of Command assembled at the Navy Office to map a campaign for obtaining the full appropriation requested by them in their budget demands. The Navy Office is entirely dissatisfied with the cuts made by the Finance Minister who reduced the original budget of Yen 440,000,000 for the naval replenishment program to Yen 178,000,000. As regards the military party, although they are dissatisfied with the cuts, it is confidently believed in responsible government circles that the figures fixed by the Finance Minister will in the end be approved by all concerned as the most reasonable and the best possible estimates obtainable under the existing financial conditions of the country.

Acting as an intermediary between the Finance Minister, and the Ministers of the War and Navy, the Prime Minister, Viscount Saito, is reported to be making every effort to realize an amicable settlement of the budget estimates as summitted by the War and Navy Ministries, through political channels.

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Notwithstanding the strong desire on the part of the financial authorities to check the amount of armament appropriations demanded by the War and Navy Offices for the next fiscal year, there is ground to believe that the figures of armaments appropriations in the next fiscal year's budget may reach Yen 1,000,000,000 an increase of about Yen 150,000,000 over the total army and navy appropriations for the current year.

In the shake-up in higher commands in the Japanese Navy for the reported object of "speeding up the liquidation of the London Naval Treaty aftermath," which took place Nov. 15, Admiral Nomura, Commander-in-chief of the Yokosuka Naval Base, and Admiral Kobayashi, Commander-in-chief of the Combined Fleet, have been made members of the Naval Council. Vice-Admiral M. Yonai, of the Naval Board of Command and former commander of the Third Fleet in Chinese waters, was appointed the commander of the Sasebo Naval Station, succeeding Vice-Admiral Sakonji. Seven Rear Admirals were promoted to the rank of Vice-Admirals, including Rear Admiral K. Shiozawa, commander of the Second Overseas fleet in Chinese waters when the Shanghai hostilities broke out. Rear Admiral T. Sugisaka, commander of the Shanghai Landing Party, was appointed commander of the 11th Fighting Squadron.

The launching ceremony of the 10,000-ton submarine depot ship Taigei ("Big Whale") took place at the Yokosuka Naval Yard Nov 16. The new vessel has three guns, two machine-guns four anti-aircraft guns, and can develop a speed of 20 miles an hour.

A Japanese policeman and his three children were killed Nov. 15, when a group of Formosan tribesmen, supposedly members of the Tokopan Tribe, attacked the police station at Gassaka, in the mountains, about six miles from Shinburo. The wife of the officer was critically wounded.

The downward tendency of the U. S dollar has caused concern among Japanese industrialists on account of its adverse effects on Japanese export, particularly the silk trade.

As the result of investigations for the past sixteen years, Dr. Takeo Kitazawa, professor of mining and metallurgy in the Waseda University, has recently completed his invention of making an alloy of iron and copper, which has hitherto been considered by the world metallurgists to be impossible.

In view of the phenomenal growth of exports in the current year coupled with the expectation of increased amount of invisible income, the financial authorities in Japan take a hopeful view in regard to the current year's international balance. According to the survey of the financial authorities, the country's invisible incomes from marine transportation, the profits in Japan's enterprises overseas and other sources are expected to total Yen 150,000,000. Under these circumstances, the finance officials estimate that the country's invisible income during the current year may more than cover the adverse balance in foreign trade which is expected to amount to some Yen 70,000,000. With the advent of the import season, Japan's foreign trade return is turning to an unfavorable balance. The chief reason for this is stated to be the bulky import of foreign raw cotton, amounting to 303,000 piculs. The returns of foreign trade transacted at the sixteen principal ports of Japan for the middle part of November, was: Exports, Yen 50,456,000; Imports, Yen 52,558,000. Excess of Imports, Yen 2,102,000.

Baron Wakatsuki Escapes Assassination Attempt

Baron Wakatsuki, former Prime Minister of Japan and President of the Minseito, barely escaped with his life Nov. 21, when an attempted assassination committed by a youthful assailant was frustrated through timely intervention of the police. Arriving at Tokyo from a speech making campaign in North-eastern Japan, the President of the Minseito was just stepping into his motor car when a young assailant with a dagger in his hand forced his way and attempted to stab the Baron. The arrested man was later identified as Susumu Noguchi, a famous boxing star, who was found to be in possession of an appeal to Baron Wakatsuki that he should amend his failures in connection with the signing of the London Naval Disarmament Treaty by death.

The Cabinet Council at Tokyo Nov. 21 accepted an offer from the Rockefeller Institute to assist in public health work in Japan to the extent of four million yen. A public sanitary institute is to be established.

The Japanese Foreign Office authorities have informally proposed to the Finance, Commerce and other Ministries concerned to establish a double tariff system so as to impose discriminatoary import duties upon goods from treaty and non-treaty countries. The Finance Ministry rejected the proposal, pointing out technical difficulties in the enforcement of the plan.

Because of the improvement in the yen exchange, the allowances for a depreciation of the yen in connection with foreign payments have been reduced by 10,000,000 yen in the 1934 budget.

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Super-Patriot Who Wished to Murder Woman Missionary

The arrest of Takeo Ogawa twenty-two, a former student of the Rikkyo University, by the Ikebukuro police has led to his confessing an attempted to murder an English mistress at the Rikkyo Middle School. He has pleaded guilty to posting a letter to her some time ago, saying that the missionary work in Japan is being carried on by missionaries with prejudices against the country, and, as he got no reply from her, he attempted to kill her to cause "retrospection" on the part of foreign missionaries.

The Nagasaki Gendarmerie is reported to have started a wholesale examination of the Chinese and Manchukuo students in the Nagasaki Higher Commercial School, and despatched telegrams to all the gendarmerie stations throughout the country requesting keener surveillance over the movements of the students studying in Japan.

1,696 Arrested As Communists in Japan

The ban was raised Nov. 20 on the wholesale arrests made of alleged communists, which started on February 27 with a raid on the headquarters of Zenkyo, a Left Wing labor organization in Tokyo. The number of arrests was 1,696, and included 68 women and 926 Koreans. Of this number 145 were indicted.

Mongolians Strive to Attain Real Independence

(From the Review's Hailar Correspondent)

IN view of the conflicting reports now appearing in the press about Outer Mongolia it has become extremely difficult to form a correct opinion as to what actually is going on in that Soviet controlled country. To augment the general uncertainty, recently a report has been circulated in the White Russian press of Harbin to the effect that Mongolians, dissatisfied with the long and perilous ruling of their country by Soviet "advisers," have revolted against them and are trying to kick them out of the country.

Some light in this respect has been shed to the writer by a Mongolian who only recently escaped, together with a few other tribesmen, through the Soviet-Mongolian frontier and is now staying in this town. Inasmuch as he has relatives residing in Outer Mongolia and the authorities might retaliate upon them for the behavior of their kin, his name cannot be revealed. Being a man with Russian education, received in pre-Revolution days and having, to all appearance, improved it by constant reading, the man creates a decidedly pleasant impression, hence his tale about the present day Outer Mongolia should be of general interest to the reading public.

"Nine years have passed since the death of the Dalai-Lama, our spiritual and administrative head, and the inauguration of semi-Soviet form of government, yet no marked progress can be seen," he said. Referring to the present day administrative system of Outer Mongolia he said that it is a complete replica of that in Soviet Russia. As Russia is being ruled by the Communist Party, so is Outer Mongolia, where the Mongolian People's Revolutionary Party, holds complete sway over everything. Although legally the party is a private organization, it is a dictator in every sense. Several attempts to organize another party, made some five years ago, were frustrated in the bud.

The party yields its power through Parliament—the Great Huruldan—all the members of which are the members of the People's Revolutionary Party. A general election takes place yearly and bears every sign of a mockery: in the absence of any other party and great indifference of the people to such proceedings, only the members of the official party are being "elected" to the Huruldan. According to the constitution, the Great Huruldan convenes on November 1 of every year; its total membership comes to about 130—150; after two or three weeks of deliberation it disperses, entrusting the execution of its decisions to the Junior Huruldan and the ministry.

The "Machine" at Work

Such being the case, the principal deliberation of the Great Huruldan comes only to the appointment of the "ministry" which never takes a long time; for everything in this respect is being discussed and settled by party leaders long before the convention. Because of this, there is practically no change in the government personnel. This is also explained by the fact that the intelligensia, outside the ecclesiastical class, is not big, all the lamas, who probably constitute fully 30 per cent of the entire male population, being not eligible for the government positions. Hence the modern intelligensia is made up of young people in their twenties and mostly just out of the Russian schools or the modern schools in Urga. Of late, side by side with the attempts to socialize the Mongolian farming, there are being made attempts to introduce the anti-religious and anti-church activities all over Outer Mongolia, almost with the zeal to be seen only in Russia Proper, wherefore the relations between the lama class and the new intelligensia have become very strained, coming almost to persecution of lamas.

As in Manchukuo, where the real power rests with the Commander-in-Chief of the Kwantung garrison and the Japanese ambassador, so in Outer Mongolia the real authority rests with the representative of the 3rd International at Urga and the Soviet ambassador, both of whom yield indisputable influence over the People's Revolutionary Party and the Government, directing, in fact, all their activities. In this respect, both the governments are in the same boat. The first post, that is, of the special representative of the 3rd International in Urga, was for many years occupied by M. S. Amagaeff-Amuga, a Buriat, hailing from Irkutsk Province of Siberia. He was recently replaced by another Buriat, Reekuloff by name, who therefore is a sort of unseen dictator as Stalin is in Soviet Russia.

Such is the political side of Mongolian life. As regards the economic side, too, there seems to be nothing to be proud of. From time immemorial, Mongolia has been known as the country of nomads and probably will continue to be so in the future, for a few experiments, aimed at the introduction of agriculture on a big scale and initiated since the revolution, have brought about no desired result. Despite frantic efforts of the Government to foster this industry by such measures as providing the peasants wih cheap seedings and free advices served by specially employed Russian agricultural experts, the Mongol has proved to be a born nomad, slow to give up his *yurt* and camels. A few settlements, where agriculture is more or less promising, are said to be established near Kobdo, where the soil conditions are better suited for agriculture than anywhere else.

Cattle-breeding being the principal occupation of the populace, the Government is directing all efforts towards its improvement, for which purpose it has created the so-called Central Veterinary and Zootechnical Administration, run entirely by Russians. So far its task principally is to combat the epidemics, of which especially rampant is the cattle plague, but even in this there has been attained no marked success—epidemics continue to claim as big a toll as in pre-revolutionary days. The vastness of the country, the absence of good roads and the general inertness of the populace continue to be big obstacles for any progress in this respect. The Administration has 37 surgeons, which makes too small a force to do anything during the epidemics. The school of veterinary assistants, established a few years ago at Urga, has not yet turned out efficient medical workers. Being too engrossed by their medical work, the veterinary surgeons pay very little attention to the other task—the improvement of qualities of Mongolian cattle through cross-breeding with other kinds of cattle,—which, in fact, is neglected entirely.

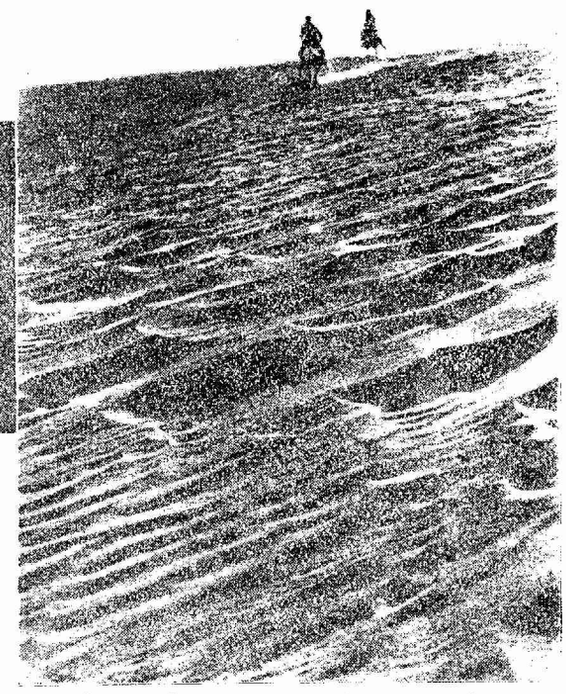
The public finances are also being run by Soviet Russians, who occupy all key positions in such institutions as the Commissariat of People's Economy and the Central Bank of Mongolia. The national currency—the tuhrik—is pegged to the Soviet currency, ten tuhrik being equal to one chervonetz. Previously, that is, some five years ago, soon after the inauguration of the new currency, silver coins in the tuhrik currency, all turned out by the Soviet mint at Moscow, were in wide circulation; now, with the inflation of currency and general lowering of the standard of living in Russia and in Mongolia, these coins have disappeared altogether, and, consequently, cannot be seen in circulation. Instead, the people use the paper currency, also printed in Soviet Russia. In this respect, the parallel between Manchukuo and Outer Mongolia becomes complete.

No Private Trading Allowed

As in Soviet Russia, no private trading is allowed in Outer Mongolia—this is a prerogative of two institutions—the Stormong, a Soviet state trading corporation, and the Moncencop, the association of Mongolian cooperative organizations. The Stormong deals in Russian products and practically dominates over the entire Mongolian exports to that country, whereas the Moncencop deals mostly in the goods coming from Charhar and Suyuan Provinces of China and has control over the exports in that direction. In the domestic trade, both organizations compete with each other, in which the Stormong, having a stronger financial basis, is said to be getting the upper hand.

Of the State controlled industries, inaugurated since the advent of the new regime, mention must be made of the lumber mill on the Iro River, the wool factory, the brick-kiln, the beer brewery, the soap and confectionary factories, all at Urga. Alton-Bulak boasts of a tannery. On the Hori River there are the flour mill and the vine distillery. With this the list of industries is almost complete.

Recently much fuss has been created in Manchukuo by reports about the alleged concentration of Mongolian troops along the Manchurian-Mongolian frontier, the reports going so far as to state that, on several occasions, the Mongolians arbitrarily crossed the frontier,



Upper left—A Mongolian *yurt* does not require much labor or skill to erect and having the walls made of thick wooden pieces ensures warmth even in the coldest of seasons.

Upper right.—Crossing the Great Gob Desert represents innumerable hardships and can be accomplished only by experienced natives who seldom lose their way in the endless sand dunes.

Lower left.—The garments of the present day Outer Mongolians represent a curious mix-up of Chinese and Moslem influences, as can be seen by the clothing worn by these people.

penetrated into Manchurian territory and perpetrated all sorts of depredations. This leads one to guess that, if the army so challenges the Manchurian frontier guards, it should be a formidable one. Asked about this, our informant said that the army is very small, has only about 7000 loosely disciplined fighters and, though it is commanded by Red Russians and has a few field pieces, it is a misnomer to call it an army. "Army division would be a more correct definition," said our informant in conclusion.

The Russian press of Harbin has recently been displaying evidently inspired reports to the effect that the Outer Mongolians, after the overthrow of the present regime, would like to see their country linked to Manchukuo, one report even alleging that recently several persons have arrived at Hailar and, claiming themselves to be the representatives of a portion of Outer Mongolian population, visited the Japanese military mission in that town and in the name of the said population appealed for help to liberate their country from the Soviet grip. Asked about this episode and, particularly, whether the Outer Mongolians really have such a disposition, our informant refuted it saying that the population, because of its back-wardness in political affairs, does not pay much attention to such schemes "There is no Mongolian nationalism, and if there is such a sentiment it must be among the young intelligensia. Since all young men, who have modern education, have for a long time identified themselves with the Soviet regime," he said, "I do not think that they would like to put their country and its people into the laps of Japanese imperialism, for they know very well what in reality Manchukuo is, and certainly they do not wish to place Outer Mongolia in the same position; nor are they overeager to continue the present alliance with the Soviets; what they strive for is the establishment of a truly independent State, and in this respect they pin big hopes on a future war on the Asiatic continent as a sequence to which Outer Mongolia might regain her sovereignty."

It is of interest to know what plans the Japanese have in this respect and particularly whether it is their intention to link Outer Mongolia to Manchukuo thus creating a big continental Empire. While there has been made no definite statement by responsible parties, there are many reasons to think that Outer Mongolia is included in the sphere of their schemes on the Asiatic mainland. First comes to mind in this connection, the creation of a short-term military school at Hailar for the Mongolian youths, of whom ten already have graduated and have gone to Tokyo to complete their studies. Though these youths are of Inner Mongolian parentage, they, because of common language, culture and race with the Outer Mongolians, might serve as useful instruments for consummating Japanese schemes in that country, especially in war time. Now, however, the country is in the firm grip of Soviet Russia and in case of war in these parts, which seems to be now on everybody's lips, the country is likely to be the foremost ground wherein both the opposing armies are likely to cross swords.

Hailar, November 2, 1933.

Ministry Tightens Regulations for Domestic Parcels

To prevent the evasion of the Customs (coastal) duty by means of postal parcels, the Ministry of Finance has issued a set of measures governing the collection of the Customs duty on postal parcels passing through two or more ports. The new measures, which apply only to domestic postal parcels, provide that parcels passing through two or more ports, unless otherwise exempted from Customs duty, shall be examined and taxed by the responsible Customs House.

Japan Believes Her Fate Will Be Fixed in 1936

(By the Review's Tokyo Correspondent)
(Translations from various Japanese publications)

THE Tokyo *Nichi Nichi* created a great sensation by publishing in its October 1 issue an advertisement inviting essays on "1933" by prize competition. The advertisement declares in a vehement tone literally as follows: "The world is in grim darkness and the Powers are likened to ships adrift in search for a gleam of beacon-light. Japan, who has quit the League of Nations and with it the yoke of the stipulations of the Washington and London Treaties, is destined to head all the others in braving the rough sea and safely reach the goal on the other side. The climax of the extraordinary times will be reached in two years, that is, 1936. We, (the *Tokyo Nichi Nichi*), propose to offer Yen 10,000 as a reward for best essays on "1936," with which the issues of the New Year of 1934 shall be adorned and which shall also be the beacon-light for the current of national thought. We feel especially happy to say that the six greatest figures of the present-day Japan have consented to act as selectors of the prize essays."

It is not too much to say that no diplomatic discussions published in vernacular periodicals are free from reference to the approaching national crisis. Indeed, so loud is the cry for preparedness for 1936 that nearly every publication dealing with politics and diplomacy published during the month of October takes up the question for discussion in one way or another.

It may safely be said that the problem in question was first discussed by the October number of the *Keizai Orai* in magazine circles, while it was the Tokyo *Nichi Nichi* that raised the first cry in the daily press. Thus the nation's attention is now riveted on the year 1936 as if it were a common enemy.

With reference to descriptions which warn the public against China's possible preparation for the critical time, the scribe finds same woven into articles on aviation in China appearing in magazines. As to daily newspapers we did not meet with any worthy of attention until November 6, on which date the Tokyo *Nichi Nichi* reported the opening of the Seven Province's Conference on Foodstuffs at Nanchang, commenting that it was the parley convened to prepare the country economically for putting up effective resistance to Japan, availing themselves of the critical time in 1935.

How to Overcome the Crisis of 1936

(By Dr. Tomosaburo Takagi—Bungei Shunju)

Voices are heard heralding the possible arrival in 1936 of the real crisis of the nation. "Rise or fall of the Empire is at the mercy of the coming extraordinary time," some say, but these voices are not wild cries void of due recognition of the actual situation.

Several times Japan experienced national crises, as during the Sino-Japanese and Russo-Japanese Wars, but in all her past difficulties she had only one enemy to grapple with, while enjoying warm support from sympathizers over the sea, materially as well as spiritually. Such, however, will not be the case this time, for all the world turns against us, placing the country in an international position more unfavorable than that of Germany on the eve of the outbreak of the Great War. At the time of the European War Germany stood isolated, but she had Austria, Turkey and some Balkan states on her side, whereas Japan has this time no sympathetic nation in the whole world except Siam, not to mention any cooperator.

Amidst such circumstances comes February, 1935, when Japan formally withdraws from the League. At the same time the mandated islands in the South Seas will loom big in the eyes of the world. None can guarantee that the mandate issue will be settled up without the exercise of brute strength.

As to the pretext for conflict, there are besides the mandate question, non-recognition of Manchukuo and the demand for the evacuation of Japanese troops and these are quite sufficient to lead to a fight. To add to this unsavory reasoning, the crisis expected in 1936 will find Japan's naval ratio at its lowest as compared with the United States. It is thus not unreasonable that the people cannot free themselves from the notion of the unfortunate advent of a national crisis in 1936.

How then can we successfully meet the assault of the extraordinary time? This is a question discussed in all circles. The pacifists and liberalists mostly insist on taking negative and concessive steps and recommend not to uselessly hurt others' feeling.

The Shidehara diplomacy has already proven the folly of resorting to this passive policy; the more concession Japan showed the haughtier became the Chinese and went even so far as to demand Dairen, Taiwan and Ryukyu back to herself.

Seeing that both Chiang Kai-shek and Chang Hsueh-liang are fast expanding their armament to bring pressure upon our country, there is no way left open for Japan at this moment except to repel the oppression like a man.

It was just at this juncture that the Manchurian incident occurred. It so happened that the event joined the world current of block formation. That is to say, that when Japan acted out of sheer necessity this was in conformity with the general trend of the world, and the world itself has begun to follow suit. Naturally, by making energetic advance Japan will lead the world history of the Twentieth Century. No turn or retreat is allowed to her, for otherwise the world would be thrown into turmoil.

What then are the forward movements to be made by Japan to cope with the critical time in 1936? They are (1) complete national defense works, (2) perfection of Japan-Manchukuo economic bloc and (3) establishment of diplomatic policy. It is only by these three "forward advances" that the Japanese can successfully meet the critical time of 1936.

Japan's Stand at the Second Washington Conference

(By Lieut.-Commander Tota Ishimaru—November number of Bungei Shunju)

In 1935 the second Washington Conference will be held and besides the armament question of the Pacific the final solution of the Manchurian question will be taken up for discussion. At this conference Japan must anticipate the united front of Britain and the United States, and in consequence will find herself in an extremely difficult position. Naturally, in some quarters they insist on not participating in the parley, but such a negative attitude is cowardly and liable to invite loss. Rather, we ought to realize our duty to enlighten the participating Powers by disclosing at the gathering our fair and just insistence; Japan should make a forward march assuming the leadership for the rest of the world.

The fair and just insistences of our country are (1) the insistence of equal right to armamant among five Powers including France and Italy (2) radical disarmament and (3) guarantee of safety of the Pacific. Our demand for parity with Britain and the United States is liable to be taken as of selfish moive and for this very reason the inclusion of France and Italy is indispensable, thus making up a group of five Powers. By so doing Japan would lose nothing matetrially except her prestige. Nay, this will sow seed of trouble for Britain in the event of the outbreak of an Anglo-Japanese war.

Some may maintain that, so long as Japan sticks fast to acquiring equal right to military preparedness, she will have to agree to abolish the limitation of defence works on the Pacific, eventually to her detriment. But I believe as long as we hold the South Seas mandated isles intact, the abolition of the defense works on the Pacific brings no uneasiness on our part. It would be Britain and America themselves who thereby stand in a disadvantageous position.

In my view the petty disarmament plans hitherto proposed by the leading member states must all be discarded and in their place a draft plan for far more drastic cuts both in quality and quantity should be presented. Since the armament is relative in its essential nature and so long as the equal right to armament is recognized, however drastic the limitation may be, none of the member states ought to feel anxiety about its national defense.

As to the guarantee of safety, which never fails to accompany disarmament, the conclusion of arbitration treaties or non-aggression pacts are to be recommended. The revision of the Nine Power Treaty is also necessary. As far as Japan is connoerned, all measures for guarantee of safety are nothing more than castles in the air unless she succeeds in making the Powers recognize the Asiatic Monroe Doctrine, excluding the Manchurian question, and her equal right to military preparation. Japan ought, therefore, to present herself at the second Washington Conference with the fundamental object of con-

cluding a peace treaty effective for upholding the Asiatic Monroe Doctrine and equal right to military preparedness.

Japan, Germany of the Orient

(By Akio Hushidume—October number of Dai Ajia-shugi)

All who return to Japan from Western countries say unanimously, "Contrary to my anticipation I was surprised to find Japan a peaceful land." So it may appear, but it is not true tranquility that reigns in the country. It is the hopeless state of inactivity resulting from the incompetent governing authorities, helpless agrarians who resigned themselves to their fate and the fleeting luxuries recklessly indulged in by those who profit by the thriving war industry and low exchange rate. Such a temporizing state of the country with the national crisis awaiting only two years ahead, is lamentable.

The position which Japan now occupies in the Orient has many analogous points to that of Germany before the Great War. The existing U. S.—Japanese naval race can be likened to that between Germany and Britain; the army expansion race now going on between Japan and Soviet Russia is a copy of the competition between Germany and France and Soviet Russia, while the invasion by German manufactures into British dominions, which greatly contributed to brewing the calamity, resemble the present triumphant advance of Japanese goods into the markets of the world, especially into Great Britain.

If there is any one who entertains misgivings as to the arrival of a national crisis in 1936, he ought to compare the present international situation with the conditions prior to the outbreak of the Great War.

The year 1936 arrives with a crisis which decides the fate not only of Japan but also the rest of Asia, which has long been suffering from merciless squeeze. And as to the existence of this crisis there is no room for any doubt.

All Depends on the Spirit of the Nation

(By War Minister Sadao Araki, October number of Keizai Orai)

The London Naval Treaty concluded in April, 1930, will be revised in 1935, while the Naval Disarmament Treaty signed at Washington in 1922 will become null and void toward the close of 1936. Furthermore, in 1935 our formal withdrawal from the League of Nations will take place.

Under such circumstances people appear to entertain apprehension lest a national crisis precipitate in the year 1935. However, we need fear nothing so long as we hold up justice and insist on it and stress it. Wherever justice goes there is no enemy to check its advance.

However low our armament is reduced in power, nothing can stop the gush of the spirit of justice in our army against an attempt at disturbing the peace of the East. Likewise, however strong our army may be there is no reason for taking up arms provided the Imperial ideal is well understood and no impediment placed on the way along which the Imperial fortune makes progress.

Unless our special national structure is recognized, the fundamental spirit of the disarmament conference will be undermined. Remember that both the disarmament conference and the League of Nations must be made the organs which contribute to displaying before the whole world the Imperial Japanese spirit of justice and moral principles. They are best tested by the untiring efforts in building up the State of Manchukuo. Unlike the Japan of the past she has a son to bring up, and is not in a position to be satisfied with the ration fixed by the Western nations.

I declare that what concerns national defence all depends on the sound national thought and if only the national thought is sound and strong three million bamboo-spears would be sufficient to meet any national emergency. The secret of emerging victorious is to have intrepid spirit and not resourcefulness nor bravery. Everything bows to the white hot spirit. Thousands of tanks and hundred of dreadnaughts would be helpless toys, if we, under the influence of the imported thoughts, forget the traditional Nippon spirit. This is what I am most concerned about in looking forward to the year 1935.

Revision of the London Treaty is an Absolute Necessity

(By Admiral Kanji Kato—October number of the Keizai Orai)

Before our eyes are heaped up a pile of important international questions such as those which are destined to crop up following Japan's formal withdrawal from the League and the revision of disarmament pacts. These are the problems thrown upon our shoulders for solution in one way or another, whether we like it or not. This is why the people call the present an extraordinary time.

What we are most deeply concerned about is the revision of the naval treaty to be effected in 1935. In view of the address made by our representative Mr. Wakatsuki toward the close of the London Conference and of the Japanese stand made clear by Foreign Minister Shidehara at the special session of the Diet in 1930, Japan has no intention whatever to stick to the stipulations of the treaty any longer than the term permits. At any cost the treaty must be revised to conform to the need of our national defense, and there is no better chance for it than the naval disarmament conference to be opened in 1935.

As a matter of fact, the armament limitation treaty, based on the rule common to all member states, is liable to result in an uneconomical disarmament, as evidenced by the London Treaty under which we had to sacrifice the powerful service of submarines, to construct expensive 6 inch crusers in place of 8 inch ones, and to augment air forces.

Taking all these points into consideration we feel we can digest the public curse against the expensive disarmament treaty which drains the national treasury. Viewing the situation in this light, we are convinced that at the next naval limitation conference no political solution should be attempted. Instead, we must strive to get the treaty satisfactorily revised, even at the risk of its total abrogation. People may be apprehensive of a reckless naval construction competition that may follow the abrogation, but the world history shows the folly of the nation which relies solely on the numerical superiority.

The present day Japan is not what she has been in the past, for she has Manchukuo to foster for the sake of creation of eternal peace in Orient. It is for this reason that we require military preparedness. In fact, 1935 is the year when we perfectly augment our defense measures through successful revision of the naval treaty. This we must accomplish at any cost.

Unprecedented Crisis Arrives in 1936

(Major-General Yahei Oba—October number of the Keizai Orai)

The year 1936 is close at our heels. The conclusion of the London Treaty is the product of our humiliating concession. This shall never last forever.

We were greatly threatened by America's speedy concentration of her war vessels in the waters of Hawaii at the time we advanced troops to Shanghai. Later, we were again struck with the haughty declaration by Admiral Standley that "To bring back the Atlantic Fleet is a musty tale."

The American plan for naval and air construction aiming at the crisis of 1936 has already been established and her Ocean and air forces are making boundless expansion.

In view of this state of things in the United States we wonder how the Britons will behave. They may or may not cooperate with the Americans and precipitate upon the Island Empire with their combined fleets of the sea and air to crush it to pieces at a stroke.

How about Soviet Russia and China, which would trample the international faith under their heels, once they are convinced of the traditional weakness of their neighbors. No optimism is justifiable. Viewed in this light the year 1936 will prove an extraordinary time, even more critical than at the times of the Sino-Japanese the Russo-Japanese Wars. How does the nation which stands on the precipice intend to tide over this national difficulty? The year 1935, when this grave question is to be offered before us for disposal, awaits us but two years away!

Possible Anglo-American Cooperation Against Japan

(By Dr. Katsuji Inahara, adviser to the Tokyo Nichi Nichi—October number of the Keizai Orai and Nov. 1 number of the Economist)

Great Britain joined the European War with an unmistakable aim at rescuing herself, but not only did she fail in attaining the chief object but sustained a heavy loss—a loss which does not favorably compare with that suffered by Germany.

That Britain has been decaying beyond salvation may be seen from her recent struggle in the Anglo-Japanese trade competition in India, which, seen from any angle, is the unfailing testimony to her holding a passive position in international economic competition. Clearly Great Britain is suffering from arteriosclerosis.

It is the United States who caught the fatigued Britain by the neck. Without sacrificing much the United States emerged victorious from the Great War, for she was quickly converted into the world's largest creditor nation, the world business being shifted from Lombard Street to Wall Street.

The most appropriate evidence of the mastery of the world having escaped the hand of the British into that of Americans, is the Washington Conference. The British were satisfied with the same ratio as the Americans. Great Britain long maintained the idea that she needed double as much ratio as the world's greatest nation and even regarded it as her right, but this she relinquished at the conference. This decided step taken by Great Britain is tantamount to swearing that she would never make an enemy of the United States. You all will remember the remarks uttered in Geneva by Sir John Simon to a certain Japanese there that, "Britain is unable to dispose of any important question without first consulting with the United States." This speaks for everything.

Thus we must expect Britain will cooperate with the United States in so far as the critical time of 1935 is concerned.

Generally speaking, there are two cases at which the two Powers will never fail to stretch a joint battle-line against us; they are disarmament and the Manchurian question.

In the case of disarmament, it is most probable that they join into one body in insisting on the abolition of submarines; this is especially possible in view of Franco-British relations and the fact that no other nation than the Japanese, French and German can effectively operate the machine.

As regards the Manchurian question, it will be the United States that will assume the most important role, because (1) history records U. S.—Japanese struggle for supremacy in Manchuria and (2) the United States declared before the world that Japan's action in Manchuria was not in accordance with the stipulations of the Anti-War Pact and Nine Power Treaty. As a matter of fact the abrupt action by Japan in Manchuria greatly contributed to injuring the American sense of dignity before the eyes of the world, and this is another reason why we have to expect pressure from the United States. As for Britain she has no particular reason to follow suit, but she will be sure to accompany Uncle Sam to be faithful to her patron. As the possible reason for Britain's siding with the United States, in regard to the Manchurian question, we may point out the necessity of her showing goodwill toward China, for commercial reasons and the fear of Japan's powerful growth in consequence of her extending into Manchuria. Even at present Britain is experiencing a hard economic battle with Japan. Suppose therefore that instead of Japan Soviet Russia or rather the United States were in a position to nurture up Manchukuo, then Britain would be less clamorous, or rather assist the work.

In conclusion I am of opinion that the Japanese diplomacy for 1935 should, among all others, be directed toward disabling the united front of Britain and the United States.

Canton-Kowloon Railway Agreement to Be Revised

According to the Canton *Central Press*, draft proposals for the revision of the Canton-Kowloon Railway agreement were sent Nov. 8 by the Provincial Government to the Ministry of Railways for action. The railway is 100 miles long—89 miles in Chinese territory and 22 miles in British territory. The existing contract was concluded during the Ching Dynasty and stipulates for a division of profits at a ratio of 65 per cent for the Chinese section and 35 per cent for the British section. The contract was due for revision in 1918, but for various reasons nothing was done.

Several years ago the Ministry of Railways proposed a new percentage in the allotment of profits, namely, 75 per cent for the Chinese section and 25 per cent for the British section.

Religious Revival Sweeps Over Korea

The National Bible Seciety of Scotland in its quarterly report embodies a letter from the Rev. Dr. C. A. Clark, Pyengyang, noting a remarkable revival sweeping over Korea. Dr. Clark states that the distribution of booklets summarising the life of Christ has been followed by widespread interest in the Gospel. 23,000 of these booklets have been eagerly bought up. Revival meetings were held in every Church and widespread preaching campaigns among non-believers. Many churches in Korea have enormously increased their membership.

Hard for Japs To Be Gentlemen in Dealing with China

(Osaka Mainichi, Nov. 12)

If reports coming from Shanghai are correct, China is again showing why she is the cancer of Far Eastern politics. With no unfaltering national policy of her own, she is drifting hither and thither, whichever way the wind happens to blow.

Although many things have happened in the Orient in recent years to make its history appear long to those who are interested in Far Eastern politics, the name of Borodin still ought to be fresh in their minds. Any one who continues to criticize the steps taken by Japan in Manchuria should not forget the cause which made Great Britain send her troops to the Yangtse Valley from distant England. It was Borodin and his Soviet associates who were pulling the strings behind the Nanking Government.

After the anti-British movement came the anti-Japanese drive, endangering the Nippon interests in Manchuria. This was the result of the Anglo-Chinese compromise driving out the Russian influence from Nanking. It must be remembered that for a year or two the policy of irritating Japan was carried on side by side with a similar program of attempts to oust Russia from her position in North Manchuria.

Despite the many disputes in Manchuria, the Nanking and the Tsinan incidents, Japan remained patient. Russia, on the other hand, actually came to blows with China, resulting in the severance of Sino-Soviet diplomatic relations.

All the foregoing shifts of events happened in less than a decade. They form a fresh background to the Far Eastern events of the last year or two and also to those that are happening now. The Manchurian Emergency, Shanghai Incident, the appeal to the League, pro-American policy, and resumption of the Sino-Russian diplomatic relations—merely stringing these names is enough to picture the whirlwind-like riddle created in the Far East by China.

It was only a few weeks ago that China showed indications of moving toward direct negotiations with Japan. Now it is reported that the prospect of the Russo-American rapprochement is making China again anti-Japanese. All we have to say is that it is difficult for Japan to remain a gentleman when dealing with a neighbor like China.

Quezon Defines Filipino Attitude on Independence

Senor Manuel Quezon, President of the Philippine Senate, who is en route to Washington at the head of the Philippines Independence Mission, issued a statement to the press in Tokyo, Nov. 15. He said that "the provisions of the law regulating trade between the United States and the Philippines during the ten years preceding the granting of independence would so adversely affect the main Filipino industries, especially sugar, which now constitutes sixty per cent of the exports, as to imperil the economic, social and political stability of the Islands. If such a situation should arise, it would be impossible for the American Government to withdraw her sovereignty from the Philippines at the appointed time. In conclusion Mr. Quezon said: 'We also feel that the retention by the United States of the military and naval reservations in the Philippines after independence shall have been granted—which America has the right to do under the Hare-Hawes-Cutting Law—is incompatible with complete independence."

Norway Confers Order of St. Olav on Sir Frederick Maze

N. Aall, charge d'affaires of the Norwegian government in Shanghai, handed to Sir Frederick Maze, Inspector-General of Customs, at a luncheon at the Shanghai Club Nov. 14 the Order of St. Olav, conferred on Sir Frederick by the King of Norway. Sir Frederick, in acknowledging the honor, expressed his satisfaction that thus was recognized the work of the Customs by a country which had exceptional opportunities of forming an opinion.

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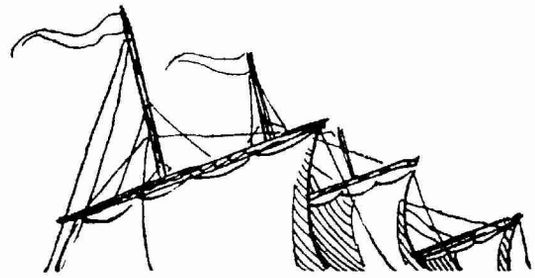

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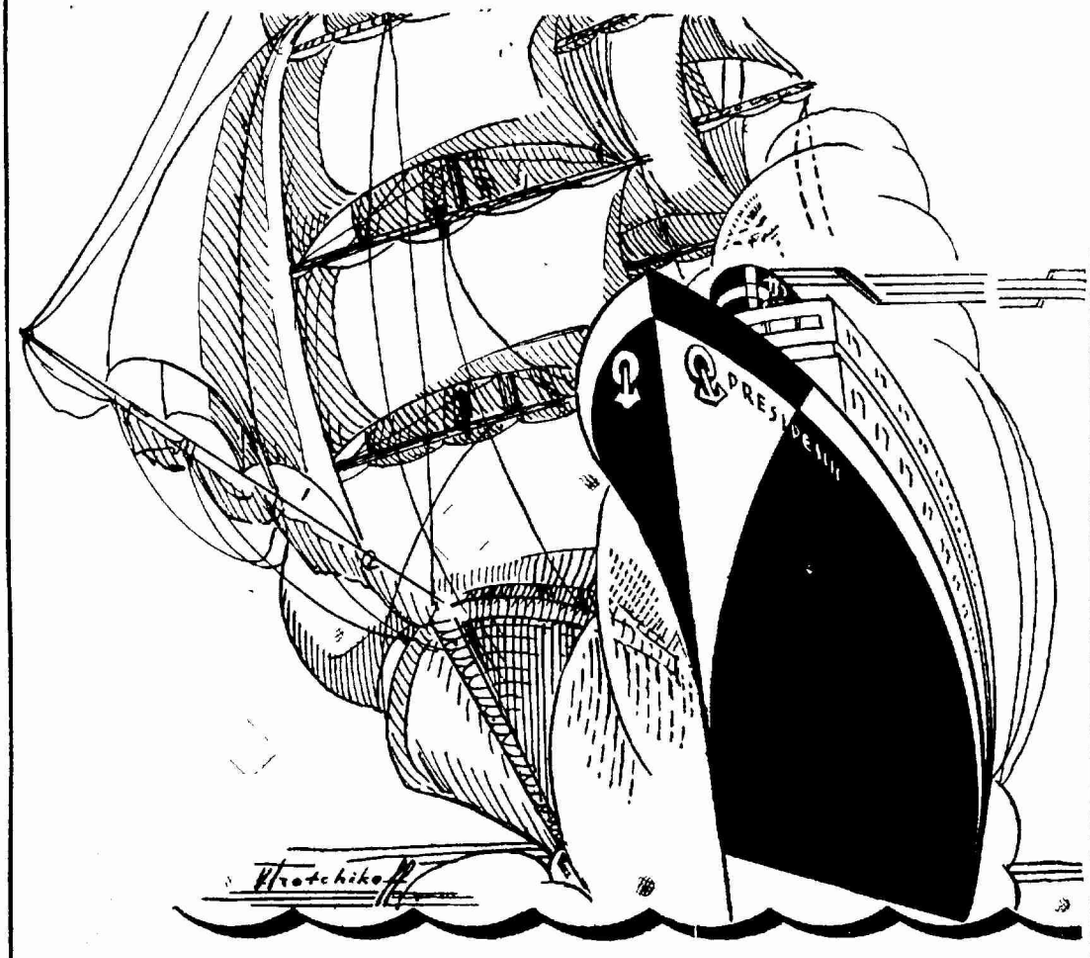

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Nanking Should Hold Plebiscite to Decide China's Foreign Policy

BY C. Y. W. MENG (孟長洙)

BEING unable to attain equality in armament and in the family of nations after years of struggle, Berlin has decided to quit the League of Nations and the Disarmament Conference. Chancellor Hitler's object's in putting the German foreign policy to the plebiscite has not been so much to test the public sentiment of the German people regarding the present government action, but rather to demonstrate to the world that it is the whole German nation, not any party, that is determined to regain equality and justice, and that she is ready to fight for them at all costs. It is this demonstration of "determination," "insistence," and "firmness" of the German people in removing the restrictions imposed on her by the "Unequal Treaty" that has caused a change of the policy of the foreign powers towards Germany and has caused the powers to realize that Germany can not be treated as a nation in bondage forever, and that more justice should be done to her.

China Should Learn a Lesson from Germany

If we would study the situation in China and Germany today, we would find there are many points of similarity. Internally, Germany, since the Armistice, has been in a more chaotic condition than China is after the Revolution of 1911. Externally, the Treaty of Versailles has imposed just as many unjust restrictions on Germany as the series of "Unequal Treaties" have imposed on China. To the Germans, the demand for Reparations to an unlimited amount and the military occupation of the Rhineland and Ruhr, with its huge works of Krupp, Thyssen and others, where the French inaugurated "the Reign of Terror," mean great losses and humiliation, material and moral, and memories of gross ill-treatment.

But through the efforts of German statesmen, like Dr. Stresemann, Germany was able to achieve (1) the conclusion of the Dawes Settlement in 1924, (2) the signing of the Locarno Agreement in 1925, and (3) Germany's entry into the League of Natons in 1926.

China and Germany in Similar Situation

In China today, we find that the "Unequal Treaties," concluded about three-quarters of a century ago, are still in operation. Due to these restrictions imposed on her by these "Unequal Treaties," China is really not a sovereign state. It is not infrequent to hear that certain powers would resort to arms to claim their "treaty rights" in China, provided, or alleged to have been provided, in the "out-of-date treaties."

Amidst the deterioration and humiliations, there arose the "nationalist movement" in China instituted by the Nationalist Party, or more generally known as the "Kuomintang," which repeatedly promised the nation the early abrogation of Unequal Treaties, abolition of extrality, etc. But up to now, it seems to us that the date for the abrogration of the Unequal Treaties, etc. is quite remote, while the tariff autonomy which was apparently restored to China in 1929 is now only partially enforced in fact, after many years of struggle. There is only one reason for the delay —that is, the Chinese people have not tried as hard as the Germans did and are doing, and the Chinese do not have the unity and determination as the Germans have in removing the Peace Treaties!

China's Present Foreign Policy Criticized

Since the outbreak of the Sino-Japanese crisis, created by the Japanese forcible invasion and occupation of the Chinese North-Eastern Provinces, the Nanking policy may well be summed as follows:—

First, it was a policy of non-resistance—through which Three North-Eastern Provinces were lost without a fight. It is then followed by regional resistance. That is to say, it is a local resistance put up by the general in garrison of the territory which is invaded by the Japanese forces, and this general fights as hard and as long as the military supply and re-enforcements at his disposal permit him. When he is fighting against the Japanese, it is strange to relate, that the other Chinese generals in the garrisons of other territories do not launch a simultaneous attack on the Japanese position, thus enabling the Japanese to move their troops freely from one place to another for the more effective attack against the Chinese offensive general. It shows glaringly that its only a regional, not national resistance; only sporadic, not organized and concerted resistance against the Japanese systematic invasions. To be sure, such resistance may score sporadic victory for the Chinese, but the final victory is alway on the Japanese side. When the war is over, we find one strategic district after another is being "demilitarized."

It is then followed by a policy of "resisting on one hand and negotiation on the other," which, in our opinion, is fantastic rather than realistic, imaginary rather than practical. It is then followed by a policy of "pacifying the conditions within before putting up resistance against the outside aggression," which means that the question of recovery of the lost territory should be put aside, and the government attention should be devoted to the bandit-communist suppression campaign. So 400,000 best trained and equipped soldiers have been thrown to fight the communists in Kiangsi alone, and the "extraordinary" military expenses for the "suppression campaign" are greatly increased monthly, culminating in the resignation of the Finance Minister when he was unable to put up the required sum monthly. Nanking seems to have failed to realize that while the Government is engaged in a desperate struggle with the bandit-communists, China really has lost all her chances to prepare herself for the recovery of the lost territory in the immediate future. For, when the Suppression Campaign is over, China will be so exhausted that she can not conduct any more war, not to speak of a war with a strong power. When China is ready to fight with Japan, Japan has already firmly settled down in Manchuria, and her position there is almost invincible!

The latest Nanking policy in the present situation is a policy, to be brief, of opening negotiation with the Japanese over the Manchurian situation "piecemeal,"—that is, first the negotiation for the restoration of postal service, railway communications between Peiping and Mukden, and the establishment of customs stations along the borders between China and the so-called Manchukuo. Such negotiations, to us, amount to an "implied recognition" of Manchukuo by China! The opening of such negotiations was denied by the Nanking officials. Apparently, some sort of negotiations were started between the Peiping and Japanese authorities, but were quickly stopped, due to public opposition. In other words, Nanking's Manchurian policy has been one of "no-definite policy."

How Are the Divergent Views of Chinese Foreign Policy to Be Decided?

According to the Nanking "explanations," such a policy is "realistic," and is the only policy to maintain peace with Japan while at the same time affording a chance to the Government to suppress the internal undesirable elements. China, in Nanking's eyes, is in the same situation as France after the Battle of Sedan in 1871, when France gave up Alsace-Lorraine to Germany.

But, according to opinions of other Chinese, such a policy is "suicidal" and should be strongly condemned. If one will care to visit bookshops and read some of the publications, we find the opposition against the present Nanking policy is very strong. The opening of negotiations "piecemeal" with the Japanese, to us, is a change of "non-resistance policy" to a policy of "submission" to the Japanese demands—the recognition of Manchukuo by the Nanking Government!

The objection from the Southern leaders is also quite strong. A string of telegrams in the form of "interpellations" has been sent to Nanking asking for "explanations" of the reported negotiations, the resignation of T. V. Soong from the Finance Ministry, etc. It is an open secret that many of the southern leaders are quite in disagreement with what Nanking is doing, and that the situation demands that it should be carefully handled if a Nanking-Canton split is to be avoided.

As there are so many divergent views regarding the present policy towards the Manchurian situation, we suggest that Nanking should, as is the case with Germany, refer the matter to the masses of Chinese and put to plebiscite to decide "whether the people of the Chinese Nation would endorse the present government policy." It is not necessary for any people to set up an "independent movement" in opposition against the present Nanking regime, thus plunging this unfortunate Republic into another internecine warfare, merely because of differences in foreign and domestic policy; for

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the result of the plebiscite will decide and will tell us what kind of policy China should adopt.

Plebiscite, Not Conference, Wanted

A year ago, Nanking called a "National Emergency Conference" which was requested to express an opinion and offer advice to the Government to enable the Government to get out of difficulties. The attempt was a failure. It is our opinion that the asking for advice or opinions from the people should not be in the form of a conference, the delegates to which are all "appointed" or "named" by the Government. The views of these delegates are necessarily the same as those of the Government. These delegates are mostly bankers, industrialists, and merchants, who already have had some connection with the Government in one way or another, and who are ready to endorse the government policy. These delegates could hardly be considered "representatives" of the common people in the country. What we want to know is the "true voice" of the masses of Chinese regarding the present situation, not the "speeches," "declarations," "circular telegrams," etc. of a few leaders. By putting to a "plebiscite," Nanking will find out whether the Chinese masses would agree with the present government policy—be it direct negotiation with the Japanese or otherwise, Secondly, Nanking will be able to find out the true public opinion and policy relating the present situation; and lastly, Nanking will be able to inform the world that the 450,000,0000 Chinese are really determined to recover the lost territory, and that Manchuria must be returned to China, if the peace in the Far East is to be maintained. Such is the dignified action that Nanking should take. If the plebiscite returns with votes favorable to the present policy, Nanking may go ahead to take whatever necessary action to realize this policy. If the votes are unfavorable, Nanking must gives way to some other party which may be ready to assume the responsibility to manage the affairs of the State, thus the true Chinese public sentiment will dominate China, and will be revealed to the world, and the differences in policy which may lead to another possible bloody civil war will be avoided. In other words, we advocate: Let this vital problem—China's definite foreign and domestic policy at this critical moment—be decided by the people themselves!

Nanking, Nov. 20, 1933.

Soviets and China Both Victims of False News Drives

M. Rosenberg, the Soviet representative at the international press conference in Madrid, Nov. 8, charged that a world-wide campaign exists to disseminate false news about the Soviets. The Chinese representative, Chou Cheng-ou, referred to what he called false news attacking China, and urged that newspapers throughout the world should "guard their readers against the militaristic and imperialistic ideas of some governments.

Waichiaopu to Draft New Regulations Concerning Foreigners

The Ministry for Foreign Affairs has decided to draft a set of new regulations governing foreign nationals visiting the interior of China. The Foreign Office is now discussing the question with the Ministry of the Interior and new regulations will be promulgated shortly.

Real Silk vs. Artificial Silk

BY PAUL K. WHANG (王仲芳)

THE war between real silk and artificial silk is being waged all over the world. In Europe, nine countries including Great Britain, Germany and Italy have recently cooperated together in inaugurating an European silk week for the purpose of persuading the population of nine countries to buy real silk instead of artificial products, while in China, the weaving mill operators, as a means of saving China's silk weaving industry, have advocated that an artificial silk factory should be established and that pending the production of our own artificial silk, the imported artificial silk should be exempted from duties. It is indeed paradoxical that the producers of artificial silk (Great Britain, Germany and Italy) should cooperate among themselves and with others to boost up the real silk trade, while the country which has been known to the world as that of producing beautiful real silk should find it necessary to advocate the manufacture of its own artificial silk with which to substitute the use of real products.

At a recent meeting among the silk weaving mill operators of Kiangsu and Chekiang provinces in Shanghai, it was proposed and adopted that a petition should be addressed to the Nanking Government to urge the government authorities to appropriate a sum of $20,000,000 out of the American Cotton and Wheat Loan for the purpose of building up a modern artificial silk factory. Besides, seven other measures have also been adopted with a view to rehabilitating China's silk weaving industry. They are (1) to restrict the present silk production, (2) to request all the people in the silk trade to wear dress of domestic fabrics, (3) to petition the Government to order all the men in public service to wear dress of domestic products, (4) to petition the Ministry of Education to forbid the students from wearing foreign dress, (5) to improve the methods of production, (6) to petition the Government to exempt imported artificial silk from duties until the time when we can produce our own, and (7) to promote the sale of domestic silk fabrics.

The Dictates of Fashion and Economy

While much can be said in favor of the adoption of these relief measures, it is exceedingly doubtful if they can be carried out successfully without arousing the opposition of the wearing public and filature men. In choosing their wearing fabrics, the buying public are not guided by the impulse of patriotism but by the consideration of fashion and economy. It would be futile to order the men in public service and students to confine their purchase of wearing fabrics to native silk or to domestic cotton cloth, when they may find that the price of silk is too costly for them to procure and the quality of cotton cloth is too coarse for them to wear. On the part of filature men, they undoubtedly would oppose any attempt on the part of the Government either to abolish import duties on artificial silk or even to reduce the present rate of taxation, at the time when the real silk trade is in a very bad state. It may be recalled that at the request of filature men the Government has increased import duties on artificial silk since August 1932 from G.U. 0.58 to G.U. 0.73 per catty. As a means of shutting out the importation of artificial silk and stimulating the domestic consumption of real silk, the filature men have been urging the Government to levy a prohibitive tariff on artificial silk. Therefore any attempt either to abolish or to reduce the import duties on artificial silk will not be countenanced by filature men who have their own interests to look after.

The proposition of establishing our own artificial silk factory will likewise not be viewed with favor by Chinese filature men, when they find that the increase in the consumption of artificial silk will naturally decrease the use of real silk. In face of business depression and foreign competition, the Chinese filature men have had difficulty in finding an outlet to market their products and therefore must by all means keep their domestic market intact free from any menace of the invasion of cheap artificial silk. The establishment of an artificial silk mill in China will inevitably flood the domestic market with still further cheap artificial silk, thereby decreasing the consumption of real silk.

While it is true that the synthetic silk can not supplant the real silk altogether, that the former proves a deadly competitor to the latter can not be denied. Science has worked such a miracle on the quality of artificial silk that synthetic silk is now even preferred in the manufacture of certain silk fabrics. China, in spite of her fame of producing real silk, has also acquiesced in the use of artificial silk and has increased its importation rapidly year after year. The increase in the import duties on artificial silk since last August has not had very much effect upon its importation, as testified to by the following figures:

1930	Hk. $14,940,438
1931	Hk. $18,644,286
1932	Hk. $13,503,082

The well-wishers of China's real silk industry can not but viewing the present development with lamentation. The movement to manufacture our own artificial silk can be amply interpreted as a triumph of artificial silk over real silk. In China as elsewhere, the war between the real silk and artificial products has been on for a long time. Hitherto the filature men and silk mill operators have collaborated in their efforts to resist the invasion of artificial silk, so as to uphold the real silk trade. But the change in human tastes and political conditions have necessitated the mill operators to turn their back upon the filature men and to find their own measures of salvation.

The change in human tastes has dealt a very severe blow to the real silk trade. The male populations have now contracted the habit of either wearing foreign dress or using imported woolen fabrics to make their Chinese dress, while the female populations have tended to buy costly imported silk fabrics if they are rich, and to purchase cheap artificial silks if they are poor. Thus on account of the change in human tastes under the influence of western civilization, silk has lost its popularity with the Chinese people.

Fashion Is the Order of the Day

Moreover, fashion is the order of the day. The buying public have no longer atttached as much importance to the wearing quality of fabrics as to their color and design. The frequent change in the color and design of silk fabrics and in the style of dress has made out of fashion a silk dress which was considered fashionable in every respect a few months ago. This circumstance has necessitated the female buyers to confine their purchases to fabrics of cheap prices, so that they can discard their dresses as soon as fabrics of new color and design are put out by the manufacturers. Since the fabrics of synthetic silk are not only cheap in price but also brilliant in luster, they naturally appeal to the psychology of the buying public.

In face of this anomalous situation, the Chinese silk mill operators must use the synthetic silk so as to cater the demand of the buying public. But the import duties on artificial silk, though they are not prohibitive enough to shut out the importation of artificial silk, are nevertheless very heavy to those who have to purchase the imported artificial silk. Because of these heavy import duties, the Chinese mill operators can not reduce the cost of their products to compete with Japanese products whose prices are much cheaper than those of Chinese products. This state of affairs has compelled the Chinese mill operators to demand the abolition of import duties on artificial silk and the establishment of our own artificial silk factory.

The change in the political conditions has very much restricted the sale of Chinese silk products. The Japanese forcible occupation of Manchuria and Jehol and the setting up of custom barriers by the puppet state have cut off a large market from the Chinese silk producers. The disturbed conditions in North China and communistic activities in Central China have all contributed to depressing the silk trade. As a result, the business has fallen off, and stocks have been very much accumulated.

In face of the present distressful state, we, however, should not attribute all the causes to the economical and political conditions, and should go deeper into finding the reasons accounting for the downfall of our silk trade. We must admit that our methods of production are primitive and that the color and design of our fabrics are not as attractive as those of imported fabrics. Therefore instead of asking the Government to order the people to wear native silk and to establish our own artificial factory, our mill operators should concentrate their attention to the means of bettering their methods of manufacturing their products. Unless they can improve their methods of production, they can not produce silk of fine quality to compete with imported fabrics, although they are supplied with very cheap artifical silk.

Shanghai, Nov. 13, 1933.

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Executive Yuan Orders Suppression of Opium Smoking

In compliance with a petition of the National Opium-Suppression Commission, the Executive Yuan, in another order to the various Provincial Governments, instructs (Nov. 20) them to press forward their campaign for the suppression of opium smoking and smuggling.

The opium control regulations which were passed by the Departmment of Home Affairs of the Manchukuo Government sometime ago, were promulgated at Changchun Nov 16. The opium control offices will be under the jurisdiction of the Chief of the Home Affairs Department and will be established at Changchun, Mukden, Tsitsihar, Chengteh and Kirin.

An international narcotic smuggling ring was broken up in Tokyo, Nov. 18 with the arrest of three Chinese, two of them being members of the crew of the Pacific liner *Taiyo Maru*. Their accomplice is a resident of Sacramento, California.

Three tons of opium were discovered by the police in a villa in Marseilles, Nov. 19. Three Frenchmen have been arrested.

N. E. C. to Provide China Merchants S.N. Co. With $15,000,000

O. S. Lieu, General Manager of the China Merchants Steam Navigation Company, reporting at the weekly memorial service on the financial condition and future plans of the Company, stated that the outstanding obligations of the Company now total about $22 millions. In order to redeem these obligations, the Company has petitioned the Central authorities for a grant of $15 millions to serve as a foundation fund. The petition has now been granted, and the National Economic Council has been instructed to provide the funds. Mr. Lieu announced that the Company has contracted a loan from the Board of Trustees for the British Boxer Indemnity Refund. Seven vessels are being built according to the most up-to-date designs, most of the old vessels of the Company (numbering over 20) being in a dilapidated condition and out-of-date. Efforts will also be made to repair the Company's wharves at Shanghai, as soon as funds are available.

Following in the wake of Great Britain, France and other countries, the National Government, in a communication to the Secretariat of the League of Nations Nov. 15. announced its withdrawal from the Tariff Truce to which it adhered on June 16 at the outset of the World Economic Conference in London. The withdrawal will become effective on December 15.

Imposition of import duties on foreign wheat and flour was decided on by the Legislative Yuan Nov. 17. It is understood that the maximum rate of import duty on foreign wheat will be C.G.U. 1.25 per picul while that on foreign flour will be C.G.U. 2.5 per picul.

In view of the depression in the local flour industry, the Tientsin Chamber of Commerce has petitioned the National Government for reduction of the railway freight rate on flour and for relief out of the proceeds of the American wheat deal.

T. V. Soong in Interview Outlines Reconstruction Work

T. V. Soong, who since his resignation from his political posts, has thrown himself whole-heartedly into national reconstruction work, in the course of an interview in Shanghai last week said the proposal to redeem the U.S. $50,000,000 commodity loan from America with Chinese products was inadequate, inasmuch as the National Government would have to purchase the Chinese commodities and thus cause undue stir in the market. The first shipment of American wheat is due here late next month while a large quantity of American cotton has already arrived, he said. The Government will not undersell the American cotton nor tolerate any attempts at forcing down the price, he declared. Up to the present moment, Mr. Soong said, there are four commissions functioning under the National Economic Council. They are commissions for waterways, road construction, public health and cotton. An industrial commission will be established for the rationalization of the coal, silk and tea industries, he said.

Canton Seamen's Union Conducts Highly Successful Racket

(From the Review's Canton Correspondent)

HONGKONG'S shipping interests and the smooth trade connection between this British Colony and Canton will be seriously jeopardised, if the Canton Seamen's Union continues its boycott on Butterfield and Swire and enforces the imposition of the surtax on a tonnage basis on all foreign goods exported from Hongkong to Canton. Although to-day the Canton Seamen's Union cannot claim to be the strongest and most influential of labor institutions in Canton, this seamen organisation has recently obtained the secret backing of the Canton City Chamber of Commerce, which in turn has thousands of merchants as its members.

To study this seamen situation in Canton one has to go back into the labor unions' history of both Hongkong and Canton since 1923, when the entire business structure in the British Colony was paralysed by the seamen's strike, the biggest labor uprising in its history. After some weeks the strike was settled with distinct gains for the laborers in addition to an increase in wages all around and re-employment of all strikers. Since this time and during subsequent periods the Union prospered when Borodin and other Red workers were rulers of the Kuomintang Government in Canton about the year 1925. In the political strike of 1925 in Hongkong when there was a general exodus of Chinese residents back to Canton the Seamen Union of Canton and Hongkong again assumed the leadership of the labor agitators. But because of its Communist leaning the Hongkong Chinese Seamen Union was proscribed by the Hongkong Government in 1927 and as orders were issued for the arrest of its Communistic officials the Union interest was shifted to Canton and since then the Union officials in Canton had been waiting for an opportunity to start some form of strike or disputes, from which they can enrich the coffers of the Union through general subscription from the public and members of the shipping community.

Dismissal of the Teaboys

Some months ago, when the management of the Butterfield and Swire in Shanghai dismissed some of the teaboys working on the s.s. Woosung reports of this serious dispute reached the Canton Seamen Union, which immediately called a strike of the Cantonese crew on the Hongkong-Canton steamer, s.s. Fatshan. All Chinese coolies associated with the Canton agent of Butterfield and Swire joined the strikers and for the subsequent several weeks the $3,000,000 worth of cargoes stored at the Canton godowns of Butterfield and Swire were shut up, despite the merchants' strongest protests. The s.s. Fatshan was lying idle during this period and until now in the Hongkong harbor, pending the settlement of the dispute with the Canton Union. Curious enough while the Canton Union held out against the British shipping company the other Shanghai and Ningpo crew on the Butterfield and Swire steamers assumed an unconcern attitude towards the Canton strike, taking no interest in all its agitations. Because of the coolies' strike, Butterfield and Swire's steamers, when they called at Canton from Shanghai and Tientsin, were unable to deliver their goods to the southern consignees and efforts to take on new coolies met with the forceful resistance from the seamen pickets and some fracas occurred on the bund and on the steamers. Seeing that a deadlock has been reached, Butterfield and Swire suspended its service to Canton and all its steamers refrained from calling at Canton. The valuable cargoes shut up at the Canton godowns were released only recently, when the consignees agreed to pay to the seamen strikers a small sum as tribute. Encouraged by the success of this levy on the consignees, the seamen now have started an ambitious scheme to secure $500,000, through the financial and political co-operation of the Canton City Chamber of Commerce, to start a shipping company to charter steamers to run along the China coast to compete with the Butterfield and Swire.

After more negotiations between the seamen strikers, officials of the City Chamber of Commerce and political factors the seamen decided that the best means of raising $500,000 for the gigantic shipping enterprise and finding money for food and provision for the strikers was to start a levy on all foreign goods imported into Canton from not only Hongkong, but other parts of China and foreign lands.

Regulation of Seamen's Levy

Regulations governing the collection of the seamen strikers' fund by tonnage on foreign goods are as follows:

(a) Goods valued at $50 per ton ten cents per ton.
(b) Goods valued at $150 per ton 20 cents per ton.
(c) Goods valued at $300 per ton 30 cents per ton.
(d) Goods valued at over $300 per ton 40 cents per ton.

The following are nominated to collect the subscriptions on behalf of the City Chamber of Commerce and the Seamen Union.

(a) The subscription on imported goods carried by the Canton-Hongkong-Macao steamers is to be collected by the Chinese compradores office of the respective steamers. (In this connection the writer has ascertained that the strikers went on board the Canton-Hongkong steamers and collected the duty without the compradores' assistance.)

(b) Ching Kee shipping company (the leading shipping company of northern China, in which Marshal Chang Hsueh-liang is said to have interest amounting to over $5,000,000) who is agent for the Chinese Navigation Steamship Company and the compradores office of the Jardine Matheson Company Limited in Canton have both been asked by the Seamen Union to collect the duty on foreign goods carried by steamers of these leading concerns from Shanghai and Northern ports.

(c) The subscription on goods from Swatow, Hoihow, and Suitung is to be collected by the Compradore's Office of the respective steamers or the steamers' agents.

The most significant factor in this collection is that the other trade unions, members of the City Chamber of Commerce in Canton, have all agreed to assist the strikers to collect duties on imported coal, salt and rice. Rice constitutes one of the biggest commodity items imported into Canton from Hongkong, which suffered a setback recently, when the Canton Government enforced the new tax of $1 (Shanghai currency) on each picul (about 133 pounds).

In another part of the Seamen Union announcement it is stipulated that the amount of the collection is based on the value of the goods in the bill of value issued by the City Chamber of Commerce and goods not so valued by the said Chamber pay a subscription according to its selling price. The subscription applies also to goods entering or leaving the godowns, and the collection made according to sections. No excuse whatsoever is permitted for non-payment of the said levy. Quadruplicate receipts are issued by the City Chamber of Commerce so that the subscriber, the collector, and the City Chamber of Commerce and the Chinese Seamen Union may each have one for reference. A commission of 5 per cent is allowed to each of the authorized collectors for working expenses.

The collection was started last Friday and will be continued, according to the Union promulgation, until the "tragical incident of the s.s. Woosung is satisfactorily settled." The Union has also announced the appointment of the Coal Merchants and the Salt Dealers' Unions as chief agents for the collection in Canton on all amounts of coal and salt imported.

So far the Canton merchants or consignees of foreign goods, who will be the only victims of the seamen racket and not the Hongkong commission agents or foreign manufacturers, have remained silent and contribute to the new levy rather philosophically. The other unions look on with envy on the prospective contribution of several tens of thousand dollars that will pour into the coffer of the seamen Union and the City Chamber of Commerce. The dispute with Butterfield and Swire will not be settled until some distant time, because both the British Company and the Union had long ago declared the impossibility to continue with even negotiations for a compromise. In time the Woosung incident will be entirely forgotten and the Canton people will be further burdened with a seamen tax in addition to its numerous taxes for free education, for the Canton garrison forts, for reconstruction etc.

Maritime Customs' Position

The Maritime Customs superintendent, who generally should have some say in the matter, has also yielded to the local political pressure. Although the Maritime Customs has not maintained harmony with the seamen for one thing or another, an aspect of the situation which I will deal with latter on, the superintendent is powerless in view of the City Chamber of Commerce and other political factors' backing behind the seamen strikers. So far the seamen pickets had collected the duty on the vessels touching Canton and unless they carry out their work carefully in time it is feared that they will collide with the Maritime Customs' interest.

For the last three days with their representatives still under training on the new job, the seamen representatives collected the subscriptions on a rough estimate basis. They took two cents for each sack of rice imported without even enquiring on the actual value of the rice and ten cents for one bale of sundry goods, which may be worth more than the small duty if the regulations on a tonnage basis are adhered to. But there are huge consignments of foreign goods imported into Canton by ten or more steamers daily and if properly organised the seamen should be able to secure the aim of $500,000 in less than one year's time and possibly we will see what will become of this gigantic shipping enterprise to charter steamers. So far the seamen are not worrying their busy head with the opening of the shipping company, the second chapter in the Woosung episode, which work may be left for the merchants and members of the City Chamber of Commerce to carry out.

The Maritime Co-operation Scheme

Regarding the formation of this $500,000 shipping Company the Chairman of the Seamen Union, Leung Kwok-ying, and the Chairman of the newly elected Executive Committee of the City Chamber of Commerce, Chiu Ching-san, were elected directors for the preparatory committee of the United Merchants' and Laborers' Maritime Cooperation Scheme for China which will carry out the $500,000 enterprise.

Messrs. Chiu Chin-san, Kwok Chan-mung, and Leung Kwok-ying were elected members of the Standing Committee. Messrs. Chiu Ching-san, Leung Pak-wai, Kwok Chak-nung, Leung Kwok-ying, Chow Lum, Hing Sang, Lee Pak-chiu, Pun Pat-ting, Wong Wing-yee, Foo Yik-chi and Tang Ping-nam were unanimously elected to be the officials of the Preparatory Committee.

Until the levy on foreign goods entering Canton has assumed more satisfactory results the Union and the Chamber will then announce regulations governing this shipping enterprise and the public will be invited to subscribe for shares. The proceeds from the sale of shares is to be deposited into the Canton branches of the Bank of China, the Bank of Canton, and the Bank of Canton and China's branches in Shanghai and elsewhere.

The next move after the organisation of the Maritime Co-operation scheme in Canton is to hire as many steamers as possible and establish branch offices at other ports. With reference to the purchase of steamers for use, it is reported that the Union intends to buy two steamers in East Indies, where two vessels are for sale. Both vessels concerned have a displacement tonnage of three thousand tons, a speed of eleven knots, each costs sixty thousand dollars and is suitable for the transportation of merchandise. The Union is also enquiring about a sale in Shanghai of the s.s. Wah Tai, length 380 feet, breadth 40 feet, with a tonnage of two thousand two hundred and a speed of nine knots. This boat is understood to be for sale for only $20,000. Representatives will be sent out by the Maritime Co-operation to inspect the three steamers and other intended sales in the outports and if any of them are found to be serviceable and suitable in price funds from the levy on foreign goods will be taken out to buy the steamers. If suitable purchases are not found, then the concern will hire other necessary ships first in order to begin transportation as soon as possible.

Quarrel With the Maritime Customs

Concerning the Seamen Union's relation with the Maritime Customs it is known that their relations have been strained lately consequent on the Maritime Customs confiscation recently of a lot of blankets, which had not paid the usual customs duty on the s.s. Kwangtung, a Hongkong-Canton passenger boat. The Seamen on the Kwangtung protested that these blankets belonged to the crew and not to the passengers, and consequently the confiscation was a mistake. The Seamen Union's pro-

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test and demand for the return of the blankets met with cold reception from the Maritime Customs superintendent and thereupon the Union threatened to organise a general strike and suspend the entire shipping service in Canton, if their goods were not returned. The seamen's high-handed action and determination to win the case is shown by the following letter, which the Union addressed to the Superintendent of Customs on Saturday. The letter runs as follows: "According to the latest report to hand, we have the honor to inform you that the Customs officials, when searching for contraband goods on board the s.s. Kwangtung, illegally confiscated the blankets used by the crew of the s.s. Kwangtung, a case already brought to your notice and still pending trial in the Judicial Courts. Further evidences show that the said Officials, instead of abating in their constant persecution of the seamen, wilfully carry on a fiercer attack by confiscating not only blankets but also felt hats, clothings and even subsidiary coins and banknotes. This barbarous and inhuman treatment will be resented by the entire body of Chinese seamen, and if conciliatory measures are not forthcoming, a general strike will be ordered. In the event of our being compelled to suspend the whole shipping industry through any grave misunderstanding between the Customs officials and the members of our Union, you will have to bear the whole responsibility of it," signed the Chinese Seamen Union of Canton.

The next court hearing in Canton concerning the Seamen Union's complaint on the confiscation of their blankets will be watched with some concern, because of the Union's threat to suspend the whole shipping industry to get a satisfaction in this dispute. So long as the Canton Seamen Union has the support of some of the merchants and so long as the latter agree to suffer the increased duty on their own goods imported from abroad, the growing power of the Canton Seamen Union may restore its former influence, enjoyed while the southern regime was under Communist control in 1925.

The Canton military administration under the real powerful man over it, General Chan Chi-tang, has acted rather remarkably in permitting the Union to collect the duty, despite the possible effect which it may have on the Government revenues. For it is most obvious to all that if the merchants eventually find that they cannot pay such an enormous increase on duty caused by the seamen levy without running the risk of a loss in their business then the only alternative is to smuggle their goods into Canton by illegal means. In Canton, smuggling syndicates have been operating with some success, as many firms depend on these secret organisations to buy their goods instead of yeilding to the high tariff rates and numerous governmental impositions and now the seamen levy.

Canton, November 13, 1933.

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Surtaxes on Cargo to Canton for Benefit of Seamen's Union

The Chinese Seamen's Union with headquarters at Canton has demonstrated its enormous power by successfully boycotting the largest of British shipping companies, Butterfield and Swire, which rather than submit to the unions demands, has withdrawn from the service to Canton entirely. The Union has now given notice to all those serving on the ships to enroll as members, as the Union is determined that all steamers at Canton should employ on board only members of the Union. The Union through the Canton Chamber of Commerce on Nov. 10 commenced the collection of surtaxes on all cargo which arrived at the southern port.

The results of the first few days' collection amply demonstrated that the surtax will bring an enormous amount into the coffers of the Union, which announced that the first day's collection amounted to over $1,000. The collection from the s.s. *Hoi Sui*, which arrived from North China with a large consignment of cargo on board, had aggregated over $500. When the system is improved the labor leaders hope to secure more than $1,000 daily through this source. The *Hoi Sui* is one of the Chinese Navigation Steamship Company vessels—which have now all submitted to this surtax.

Contrary to earlier expectations, the seamen leaders claim that as this subscription was instituted through the support of the City Chamber of Commerce and the merchants, not the slighest difficulty is being experienced at present in collecting the surtax. In fact, the Chamber in a recent letter to the Union referred to the contribution as "voluntary." Some of the foreign companies with vessels running between the North and Canton are equally willing to comply with the seamens' demands, although, under the circumstances, it is hard to perceive what other alternative they can take unless they adopt the same attitude as Butterfield and Swire, namely suspending all services to Canton. According to sources close to the Union some consignees from the smaller companies failed to contribute to this levy through their ignorance of the modes of the payment to the representatives of the Seamen Union, but collection has been made easy by a bill of lading or customs bill of taxation.

That the Government department have shown unanimous support of this surtax movement for the strikers is shown by the willingness of even the Department of Reconstruction under the Municipal Government to contribute the demanded few hundred dollars of surtax to the Seamen's Union on the arrival of 20 odd tons of foreign cement from Hongkong, which was ordered by the said department. It is understood that even goods and supplies ordered by the Government from foreign countries must submit to this seamen tax.

Meanwhile the Seamen's Union has renewed its demands upon leading shipping companies that employment of Chinese crew must be made through the Canton Union, and dismissal of crew must be referred first to the Union officials, who promise to secure any new crew that may be required at any time. It is claimed by the Union that some foreign firms—even Jardine Matheson's—have agreed to co-operate in abiding by this part of the Union rule.

Eugene Chen Heads Committee to Study Diplomatic Issues

The Southwest Political Council Nov. 14 adopted a proposal submitted by General Chen Chi-tang, commander-in-chief of the First Group Army in Kwangtung, and Teng Cheh-yu for the establishment of a foreign affairs committee in order to "study various diplomatic issues." The Committee will consist of from seven to nine members, with Eugene Chen as chairman.

The Kwangtung Provincial Government has decided to take over all the wolfram mines in Kwangtung and conduct the mining as a state enterprise. Regulations governing the sale of wolfram ore through the government have been drawn up by the Provincial Reconstruction Department and approved by the Provincial Government.

Owing to the continued slump in the silk industry, five more silk filatures in Shunteh, Kwangtung's leading silk-producing district, have closed down, throwing 1,400 women out of employment.

The number of Chinese-owned oil refining factories is increasing in Kwangtung. Recently 18 companies applied to the Provincial Department of Reconstruction for registration.

Li Shih-tseng, a member of the Central Supervisory Committee, in Canton, denies that he has recently been corresponding with Hu Han-min on the general political situation.

Ho Lung Extends Operations to Szechuen

The Communists, under Ho Lung. who have been operating in Western Hupeh, have penetrated into Szechuen territory and are reported to have already captured Chenkiang.

An order for a general offensive on the "Reds" in northern Szechuen is to be issued shortly by General Liu Hsiang, Commander-in-Chief of the Szechuen Bandit-suppression forces. In a circular telegram to Generals Teng Hsi-hou, Tien Sung-jao, Yang Sen, Li Chi-hsiang and Wang Ling-chu, respectively Field-Commanders of the 1st, 2nd, 3rd, 4th and 5th Route Armies, General Liu warns that severe punishment will be meted out to those abandoning their garrison posts and that the ranking officers will be held responsible for the actions of their subordinates.

Following the capture of Suiting and Hsuanhan by the Communists, the provincial troops at Chenkou and Wanyuan have withdrawn to the Shensi border. There are reports that they have already gone over to the Communists. So far the Communists have the situation well in hand, in spite of the contemplated general offensive by the provincial forces.

A Chengtu message reports that the 5th Route Army under General Wang Ling-chi has recaptured Yangliukwan and has removed its headquarters from Liangshan to Kaikiang. The "Reds" are retreating to Yangpochen between Tungkiang and Pachung, northern Szechuen.

According to a military report just received from Chengtu, the Communists in Northern Szechuen are in general retreat, following a drive launched by the provincial forces under General Liu Hsiang.

U. S. Government to Operate Trans-Atlantic Air Line

Plans for a regular trans-Atlantic air service linking the principal cities of the United States with a dozen European capitals were announced Nov. 15 by Secretary of Commerce Daniel G. Roper. The project will cost about U.S.$30,000,000. The airline is to be entirely financed, owned and operated by the United States Government. It is proposed to utilize huge floating platforms scattered across the Atlantic at intervals of 500 miles. These platforms would be equipped with machine-shops to effect all repairs which might be necessary, and on them would be maintained quarters capable of accommodating a large number of passengers in the event a trans-Atlantic air liner should be delayed. Air technicians state that such a service can be established within two years.

Capt. Sun Plans Tour of South Seas Next Spring

Captain Sun Tung-kang contemplates an airplane tour of the Straits Settlement and South Sea islands early next spring before returning to Germany to pursue studies in aeronautical science.

Plans for the formation of a flying club in Shanghai with a view to developing private aviation are being sponsored by the China Aviation League with the assistance of Captain Sun Tung-kang, youthful German-trained aviator who recently won national honor for his successful flights from Berlin to China and around the country, according to Lin Wu-chang, chief secretary of the League. The league has already received a light German plane donated by the Tien Chu (Heavenly Kitchen) Seasoning Powder Factory for the Flying Club. Sun Tung-kang intends to donate his airplane to the National Government. The plane is the one in which he flew back to China from Germany.

Replying to an enquiry from the Eurasia Aviation Corporation, forwarded through the Ministry of Communications, the Foreign Office states that, according to treaty stipulations, foreigners travelling to the interior should either have their passports vised by local Chinese authorities, specifying the province they are going to visit, or obtain tourist passports from local Chinese authorities or their own consulates.

The request of the Eurasia Aviation Corporation made to General Sheng Shih-tsai, Defence Commissioner for Sinkiang, for the resumption of the airplane passenger service to Tihua, provincial capital of Sinkiang, has been rejected.

Four Chinese Pilots Killed in Air Crash in Kwangtung

Four pilots were burned to death and an aged woman and a seven-year old boy were killed recently in Mi-hsien, Kwangtung, as a result of a collision of two bandit-suppression planes which kept burning for some time in the air before crashing to the ground. Two new fighting planes have been sent to the district by the Cantonese authorities to replace the damaged ones.

Air Wing Of 19th Army Is Being Extended

The steady extension of the air wing of the 19th Route Army, at present stationed in Fukien, is reported in Chinese dispatches. With planes purchased with funds contributed by Overseas Chinese, two air squadrons have been organized with headquarters at Lungyen and Yenping, The air wing of the 19th Army rendered valuable service during the recent fighting against the Communists in West Fukien.

Railway Plane Christened at Hungjao

The christening ceremony of the plane *Ching-Wu Wu Hang Yung* contributed to the Government by the staff members of the Shanghai-Nanking and Shanghai-Hangchow Railways took place at the Hungjao Airdrome near Shanghai Nov. 18. Eight planes from Hangchow took part in the ceremony. The newly christened plane later flew to Nanking by way of Hangchow.

Beginning from November 24, the Shanghai-Canton air line will start to take passengers (a maximum of six.)

Accompanied by his wife and child, Viscomte Sibour, French airman, arrived at Hongkong Nov. 19 on his plane, "Sky Gypsy."

Japan intends to build an airplane with a cruising radius of 10,000 kilometers. The Japan Aviation Research Institute at Komaba, has been working on plans for the machine for more than a year. With Yen 240,000 granted by the Department of Education for this and the next fiscal year, officials of the research laboratory will begin construction of the plane soon. Details of the machine are being kept secret.

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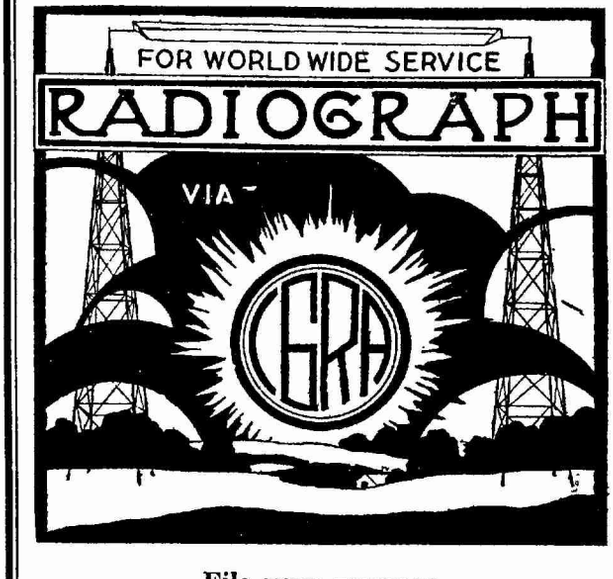

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The hospital authorities at Shaohsing have written to the Shanghai newspapers complaining of the continued low flying of airplanes over the hospital buildings.

Three persons were killed instantly and one seriously injured when a plane, belonging to the newspaper *Kochi Shimbun*, plunged into the sea Nov 19 while flying over the city of Kochi on the occasion of the celebrating of the ten thousandth issue of said newspaper.

Colonel and Mrs. Charles A. Lindbergh left Lisbon Nov. 20 for the Azores on their return flight to the United States. Col. Lindbergh's flight is being made in connection with the proposed opening of a regular trans-Atlantic air service.

Y. M. C. A's in Manchuria to Become Independent Organizations

The Young Men's Christian Associations in Manchuria, which have formerly been under the control of Chinese Y.M.C.A. Headquarters in Shanghai, are being made independent organizations by the reorganization of the former advisory committee into a united council for Y.M.C.A.'s in Manchuria, with direct representatives from each affliated association forming the council.

This action follow a decision reached at the conference of Y.M.C.A. leaders from Dairen, Mukden, Antung, Chinchow and others, which was held at the Mukden Y.M.C.A. recently.

Among the leaders of the new organization are Hollis A. Wilbur, who was the first Y.M.C.A. secretary in Manchuria, S. Niwa, former general-secretary of the Y. M. C. A.'s in Korea, and John Stewart, who has been for alomost twenty years secretary of the Mukden Association.

Japanese Anti-Bandit Campaign Leader Assures Russians

Lieutenant-General Hirose, who is personnally directing the anti-bandit campaign in Kirin at the present time, before moving his headquarters by train to prepare for what he called the third stage of the punitive campaign, declared that his troops would not encroach upon Soviet territory under any circumstances. He said that he would refrain from any action which might lead to trouble between Japan and Soviet Russia.

The Japanese authorities have issued a circular notice to all Japanese papers instructing them not to publish any news concerning the movements of Japanese and Manchukuo troops in North Manchuria. The Japanese Kwantung Army has also issued a strict order instructing all local Japanese consulates and other organizations to keep a close watch for Soviet spies in Manchuria.

Captain Miyazaki, Japanese resident army officer at Heiho, a north Manchurian border town, who arrived at Changchun, Nov. 20 by airplane, declared that Soviet Russia is replenishing defenses along the frontier line, on a more extensive scale than is generally believed. He says that the Soviets are working as though an outbreak of hostilities in the immediate future is inevitable.

The withdrawal of Soviet troops from the Soviet-Manchukuo border in conformity with the provisions of the ninth article of the Portsmouth Treaty was requested by Mr. Hirota, Japanese Foreign Minister, when he conferred with M. Yurenev, Soviet Ambassador, in Tokyo Nov. 16.

Manchukuo filed another protest with the Soviet Government against the acts of Soviet cavalrymen in shooting at Manchukuo Border Police near Manchuli.

Three "Manchus" and three Japanese were arrested in Dairen Nov. 17 for violating the Japanese law prohibiting the use of wireless to secure exchange quotations. The prisoners are alleged to have made a profit of $800,000 during the past two months by securing advance tips of Shanghai, Tientsin and Tsingtao quotations.

A number of British, French, German and Belgian traders, including diamond merchants, have arrived in Manchukuo seeking markets.

Manchukuo's law on trade marks went into effect Nov. 20. The regulations will not effect the Kwantung Leased Territory, which is considered by Manchukuo as foreign territory. The South Manchuria Railway areas, however, which extend into Manchukuo, will be subject to the new law.

A new steamship company (named Ta-an) under the joint management of Japanese and "Manchurians" has been established to operate between Antung and Tahushan.

An oil war has broken out in Chientao through the invasion of the region by the Soviet oil, which is offering a strong competition against the British-American-Japanese oil concerns.

The help of the Japanese Government is being sought to bring the seven Chambers of Commerce and Industry in Manchuria under one control, either of the Kwantung Government or of the Japanese Embassy in Changchun.

Jehol province offers great possiblities for cotton cultivation, according to a report submitted by Taisho Nakagawa, an official of the Manchuria Raw Cotton Association who recently returned to Mukden from an inspection of the province. He estimates that when the cotton fields in Jehol and Fengtien are properly developed, cotton production in Manchuria will run up to about 25,227,000 pounds annually.

German Restrictions on Manchurian Soya Beans

The German consumption of Manchurian soya beans may increase, but its fall is unlikely, according to an official report reaching the Japanese Embassy to Manchukuo from the Japanese Commercial Attache in Berlin. Present German restrictions against the bean imports, the report continues, have already brought about the shortage of beans and great rise in its prices in the country; the chief sufferers from this are the German dairy farmers and oil manufacturers.

Soviets Say Japanese Owe C.E.R. Rs. 20,000,000

The Japanese Military Mission Nov. 17 issued a denial of the report in the Soviet newspapers to the effect that the Japanese Command is indebted to the Chinese Eastern Railway to the extent of G.Rs. 20,000,000 for the transportation of troops and military supplies. The Japanese Command says it has on various dates paid amounts aggregating 2,400,000 yen to the Chinese Eastern Railway, and is ready to make a complete settlement.

A recent Tokyo message stated that the Japanese steamship line between Tsuruga and Vladivostock, a link in the trans-Siberian through traffic between Japan and European countries, is being subjected to inconveniences from the Soviets imposing stipulations that a Russian pilot must be placed on each Japanese steamer entering the port of Vladivostock, and sealing all the photographic cameras and binoculars.

New Taxation Policy When S.M.R. Zone Is Ceded to Manchukuo

In anticipation of the retrocession of the administration in the South Manchuria Railway zones to Manchukuo, the Manchukuo Department of Finance is preparing for the establishment of a fundamental taxation policy for that area.

The port of Newchwang, which is the most important harbor of Manchokuo, is expected to be brought under the management of the new government. For the final settlement, however, it will have to wait until approval is given by the various foreign Ministers to China. Under terms of an agreement signed in 1914, the port and the Liao River waterways are under the control of the Liao River Construction Commission, a neutral organization consisting of the Japanese, British, American, German, French, and Norwegian Consuls, Customs Commissioner, Superintendent of Customs and representatives of local United Merchants' Association. The expenses for the improvement of the harbor as well as the waterways, so far, have been met by the receipts of Customs surtaxes amounting to $300,000 annually, while, upon retrocession of the port and the waterways, the government intends to spend a further sum of $300,000 annually for the improvement.

Despite the opposition to the Kwantung Army plan for the reorganization of South Manchuria Railway Co., the Tokyo War Office is stated to be giving full support to the plan. However the War Office has a different idea than the Kwantung Army as to the time for such reorganization. Although the Japanese authorities have no objections against the retrocession of the South Manchuria Railway zonee to Manchukuo, in principle, they regard it still too early to transfer the police power to the new government simultaneously with the transfer of the administrative power. Consequently, as an expedient measure until the extrality abolition in Manchuria, comes into force, they suggest to reorganize the consular police systems under the control of a police department, to be newly established as an organ belonging to the Japanese Embassy.

Jabin Hsu Becomes Counseller to Shanghai Garrison Headquarters

Jabin Hsu (Hsu Chien-ping), who has held the position of head of the general affairs department at the Ministry of Finance, has now been invited to serve as a councillor of the Shanghai Woosung Garrison headquarters. Mr. Hsu has demonstrated his ability not only in the journalistic and business field but also in the realm of politics. He was formerly on the editorial staff of the *China Press* and was for a time conected with the Swedish match organization in China. Mr. Hsu was born at Shanghai, March 26, 1889. He received his preliminary education at the Municipal Public School for Chinese, Shanghai, graduating in 1907; passed the Cambridge University local examinations, 1907; editor of the *Yu Shang Pao*, a weekly commercial paper published in Chinese, 1909; passed the competitive examination of Tsing Hua College in 1910 and was sent by the college to the United States, entering the University of Michigan in the fall of 1911; while in college, he was active in college dramatics, oratory and journalism; served as one of the editors of the *Michigan Daily*; upon completing his course in 1914, he was appointed assistant news editor of the *Detroit Tribune*, which position he relinquished in 1915; on returning to China he was engaged in legal work, being associated with a British law firm in Shanghai. From 1915 to 1923 he was engaged in journalistic work. Served as chairman of the Shanghai Municipal Council Chinese Advisory Committee, 1922-25, besides being a director of the American University Club, the Pan-Pacific Association and the Rotary Club in Shanghai; upon completion of the Northern Punitive Expedition of the National Government in 1928, he was appointed confidential secretary to Dr. H. H. Kung, Minister of Industry, Commerce and Labor and accompanied the latter on his trip to Peking, where he took over the records of the former Ministry of Agriculture and Commerce as well as the Ministry of Industry; in the Winter of the same year, he was promoted to the position of senior secretary of the Ministry.

許建屏
Jabin Hsu (Hsu Chien-ping)

Public Utilities Operated by Private Companies to Be Regulated

A set of revised regulations governing Government supervision over public utilities operated by private companies has been passed by the Legislative Yuan. According to the revised regulations, any of the following classes of public utilities, unless operated by the Central or Local Government, may be operated by private companies; (1) light, power and other electrical enterprises; (2) tramways; (3) telephones; (4) waterworks; (5) gas-works; (6) ordinary and long-distance omnibus services; (7) steamship transportation; (8) air transportation; and (9) other public utilities which, according to other laws, may be operated by private interests. Except for those over which the Central Government organ concerned must exercise direct supervision, private operated utilities shall be subject, in the first instance, to supervision by the competent provincial, municipal or district organ; as well as by the Central Government organ concerned (as the supreme supervising organ).

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Mongolians Abandon Plans for Autonomy, Compromise Reached with Nanking

As the result of an agreement reached during his stay at Pailingmiao, the Mongol princes have abandoned their claim for self-government and will shortly issue a declaration reaffirming their loyalty to the National Government, declared General Huang Shao-hsiung, Minister of Interior and Govenment's Pacification Commissioner to Inner Mongolia upon his return to Kueihua (capital of Suiyuan) Nov. 20. It is learned that after a series of conferences between General Huang and Princes Teh and Yun, leaders of the autonomy movement, a compromise was finally agreed upon whereby the Mongolians consent not to from an autonomous government for Inner Mongolia, but to establish local self-government committees for the individual banners and leagues to be placed under the direct control of the Central Government, instead under the jurisdiction of Charhar and Suiyuan Provincial Governments. The new agreement providing for the establishment of such committees and their maintainence by the National Government has been submitted to Nanking for approval. According to this arrangement, henceforth, the revenue derived from the Mongols will be used for the benefit of the Mongols and colonizing of Mongol grazing grounds would cease.

In celebration of the satisfactory settlement of the Mongolian dispute and to foster closer relations between Mongol leaders and the Chinese officials in Suiyuan and Charhar, an attractive social meeting has been arranged to be held at Kueihua and a number of well-known Chinese actors in Peiping have been engaged to give performaces during the occasion. General Huang and his party are still remaining in Kueihua and their future plans have not been decided.

In a lengnthy telegram to President Wang Ching-wei, General Huang reported considerable progress in the settlement of the Mongolian situation. The majority of Mongolians, the telegram pointed out, while having little cognizance of Nationaiism, are loyal to the Central Government. The proposal for the institution of local autonomy in Mongolia represents merely the idea of a few members of the socalled Young Mongol Clique and is not supported by the majority of the Mongolians. The recent conference of Mongolian delegates at Pailingmiao was held under the auspices of a few young radicals and was not even endorsed by the majority of the Mongolian dukes and princes.

The Government has received a telegram from the Panchen Lama, the "Living Buddha" of Tibet who is now at Pailingmiao, reporting that he will come down to Nanking before end of this month to make a complete report to the Government on the present situation in Inner Mongolia.

The Mongolian and Tibetan Affairs Commission has submitted to the Executive Yuan a set of draft regulations relating to the organization of a proposed Frontier Affairs Ministry with which the Commission will be amalgamated. The regulations, when approved by the Executive Yuan, will have to be submitted to the Central Political Council for sanction.

Plans for the proposed ministry constitute but one example of the government's efforts to readjust its policy in regard to the outlying territories. The activities of Dr. Lo Wen-kan since his return from an investigation tour in Sinkiang, the despatch of General Huang Shao-hsinng to Inner Mongolia, and the government's admission of the need for a quick departure from its past laissez-faire attitude, all indicate energetic measures with respect to the border provinces.

In connection with the government's plans regarding the outlying territories, it is of interest to note that the general staff of the army, anticipating the need of a large trained personnel for frontier services, has organized special classes for the study of the Mongolian and Tibetan languages. The classes are limited to government employees selected by means of an entrance examination. Successful candidates, while devoting themselves to such studies, will remain on the payroll of the various ministries with which they are connected, but after the completion of their studies they are liable to be assigned duties in the border provinces.

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Civil War in Sinkiang Continues

The civil war in Sinkiang between Gen. Sheng Shih-tsai, Border Defense Commissioner of Sinkiang and Gen. Ma Chung-ying, the Mohammedan insurgent leader, is still in progress, according to latest reports received at Nanking from Tihua, Capital of that province. The Mohammedan troops under Gen. Ma are remaining on the defensive and have established strong defense lines at Santaolin. The Provincial troops under Gen. Sheng are rapidly advancing eastward and their vanguards have already arrived in the vicinity of Turfan. It is said that Gen. Ma will evacuate Turfan and hold Santaolin if necessary. The war is developing in favor of Gen. Sheng,

A further telegram stated that Gen. Ma has concluded an alliance with the Moslem leader Nitzerh and they have decided to present a joint front against the allied forces of Gen. Sheng and the natives. The field of military operations has now extended to Southern Sinkiang and the situation, become more serious. It is understood that the Central Government has issued another order to Gen. Ma respectively, enjoining that military operations shall cease immediately. At the same. another high Commissioner will be sent to Sinkiang to suppress the troubles.

A telegram from Tihua dated Nov. 19 reported a complete victory for Gen. Sheng Shih-tsai against Gen. Ma. A detachment of Gen. Sheng's troops succeeded in capturing Chikuochin, Eastern Sinkiang, theredy cutting of the retreat of Gen. Ma's Mohammedan forces. An airplane of the Provincial troops flew over to Hami Nov. 18 but dropped no bombs.

Hostilities on the Suiyuan-Ninghsia border threatened by the attempted march of Gen. Sun Tien-ying's 41st Army into Chinghai by way of Ninghsia and Kansu have been successfully avoided by the order of Gen. Chiang Kai-shek, instructing Gen. Sun to suspend advance into Chinghai until next Spring, Gen. Sun's units will spend the Winter in Suiyuan and new garrison posts will be assigned to them next year.

A telegram from Yunnan Nov. 16 reported that the Yunnan frontier has again been menaced by the Tibetan tribesmen who are pillaging and burning down Chinese villages in the border districts. The Yunnan Provincial Government is devising measures to cope with the situation.

In connection with the case of Gen. Chin Shu-jen former Chairman of Sinkiang, who has been arrested by an order of the Executive Yuan and is now being held up for trial, Gen. Chiang Kai-shek has petitioned the Central Authorities to organize a special Court for his trial. He urged that in view of the gravity of the charges agsinst China, the latter should be severely punished.

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Dr. Lo Confers With Gen. Chiang on Sinkiang Situation

Dr. Lo Wen-kan, Minister of Justice, arrived at Nanchang, Capital of Kiangsi Province, Nov. 16 aboard the steamer "Kiang Hsin." He has seen Gen. Chiang Kai-shek, President of the Military Affairs Commission, and submitted a detailed report to him on the Sinkiang situation and his exchange of views with the Central Authorities concerning the military and diplomatic matters in that border province.

Interviewed regarding the Sinkiang situation, Dr. Lo said that measures for the solution of the Sinkiang embroglio are being considered by the Central Authorities. Gen. Chiang Kai-shek, he added, has been fully informed regarding the Sinkiang Affairs. Dr. Lo inspected the Kiangsi Provincial High Court Nov. 17 and inquired into the judcial conditions in Kiangsi. It is learned that Dr. Lo has agreed to retain his post as Minister of Justice, but insists on resigning his concurrent post as Minister of Foreign Affairs.

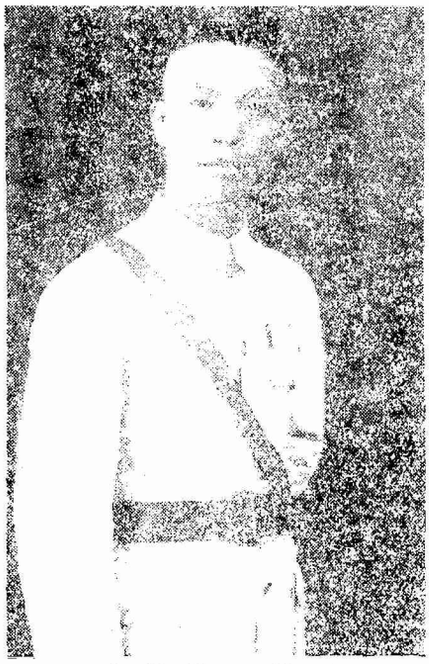
The *World Daily News*, Peiping, in an editorial Nov. 16, urged that Dr. Lo should not resign from his posts in the Government at present, as he recently announced at Tientsin.

Power Company Strikers Resume Work

More than a thousand workers of the Shanghai Power Company, who struck work at the end of September, resumed work Nov. 22. Sixty-five of the strikers, who are not wanted by the Company, have been paid off by the management. The dispute was settled through the mediation of Tu Yueh-seng and several other merchants. The measures are that the strikers should resume work first, that the wages of workers for the period prior to the strike be paid in full after resumption of work, and that the management issue one month's pay for the relief of the strikers. It is, however, understood that the relief funds are to be paid back by the workers in instalments at ten per cent per month.

Who's Who in China

Gen. Li Ping-hsien, Border Defense Commissioner of Kwangsi; born at Changwu, Kwangsi, 1893; received his training at Paoting Military Officers' Academy; served in the army in various capacities and trained troops in Hunan before 1926; when the Nationalist Revolutionary Army launched its Northern Punitive Expedition in 1926, he was appointed Commander of the 3rd Division of the 8th Revolutionary Army and was responsible for the capture of Changsha (Capital of Hunan) Yochow and the Wuhan Cities in Hupeh, fighting the famous battle of Tingszechiao, near Wuchang; in 1927, he was appointed Commander of the 8th Revolutionary Army and concurrently Garrison Commander of Wuhan Cities, member of the Hupeh Provincial Government and member of the Military Affairs Commission; in these capacities, he was responsible for the suppression of the Communists who were then active in Wuchang and Hankow: in 1928, he was promoted Commander-in-Chief of the 12th Route Revolutionary Army and marched his troops northward, pacifying Peiping and Tientsin and suppressing the remnants of the Chihi-Shantung Army west of the Luan River; when the Wuhan-Nanking split occured in the Spring of 1929, he was in command of the vanguard troops of the 4th Group Army (under command of Gen. Li Tsung-jen) and in this capacity, maintained peace and order in North China; shortly afterward, his father died and he retired from military life; in 1930, he was appointed Chief-of-Staff of the 4th Group Army, member of the National Military Affairs Commission and Commander of the 8th Army; now, Border Defense Commissioner of Kwangsi with headquarters at Lungchow; address: Headquarters, Border Defense Commissioner of Kwangsi, Lungchow, Kwangsi.



李品仙字鶴霊
Gen. Li Ping-hsien

李品仙字鶴霊， 廣西蒼梧人 年四十歲保定軍官學校業畢，民國十五年以前，迭任軍職，練兵湘中， 號稱勁旅，民十五革命軍興 ， 任國民革命軍第八軍第三師師長，率部前驅，破強敵於衡嶽之間 ， 繼克長沙，摧北軍於岳陽汀泗橋等處，旋下武漢 ， 收復鄂東，厥功甚偉，十六年任第八軍軍長 ， 兼武漢衛戍司令，湖北省政府委員，軍事委員會委員等職 ， 當時共黨猖獗，坐鎮武漢，賴以粗安 ， 十七年，任第十二路總指揮，率師北伐， 底定平津， 肅清直魯殘部於灤河西岸，十八年春， 武漢政變， 時主持四集團軍前敵各部，雍容鎮馭， 北方政局，得以安甯，旋丁父憂，息影香江，十九年 ， 復任第四集團軍總參謀長，國民政府事委員會委員 ， 暨第八軍軍長等要職，爲人沉默寡言，識量宏大 ， 自奉極約，遇人則厚，現任廣西全邊邊防督辦， 兼對汎督辦，駐節龍州，

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CUSTOMS NOTIFICATION NO. 1327.

With reference to Customs Notification No. 1,273:

> notifying the public of the regulations governing the marking of foreign goods imported into China with the name of the country of original manufacture;

and to Notification No. 1,291:

> notifying that the enforcement of these regulations would take effect as from the 1st January, 1934;

the public is now hereby notified that, in accordance with Government instructions, the enforcement of these regulations is further postponed until the 1st July, 1934.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 22nd November, 1933.

Men and Events

The death occurred at Rutherford, New Jersey, October 1, of C. J. Knight, former Liggett and Myers Tobacco Company manager in Shanghai.

The motor-ship *Asia* has been added to the Chinese-American Steamship service between Shanghai and the West Coast of America.

The United Aircraft Exports, Inc. Consolidated Aircraft Corporation, has opened new offices in Suite 205, Hamilton House, Shanghai.

A U. S. official notice during the week recommended exporters to use the words "Yuan dollar" as the correct designation for Chinese dollars in export invoices.

Business in Hsuchow is almost at a standstill as a result of the suspension of seven banks, which have failed to honor their drafts.

The Empress of Japan is expected to give birth to a child in the latter part of December, according to a recent Tokyo dispatch.

J. H. Macoun has taken charge of the Chinese Customs in London replacing Mr. Stephenson who died suddenly on November 1.

The Chinese painter, Hsu Peh-ong of the Nanking Academy, opened an exhibition of his works in Berlin, Nov. 16. German officialdom and members of the Chinese Legation staff were well represented at the opening.

Lord Marley, Labor peer who recently visited the Far East as chairman of the Anti-War delegation which attempted to hold an Anti-War Congress at Shanghai, arrived in Paris Nov. 16 from Basle.

Cecil Lyon of the American Embassy in Japan has received word of his transfer to the American Legation in Peiping. He will probably leave Tokyo for Peiping soon after the first of the year.

Various Peiping public bodies have submitted a joint petition to the Government requesting that the Peiping Palace treasures, which are now being stored in Shanghai, be sent back to Peiping as soon as possible.

The former flagship of the Asiatic Fleet of the United States Navy, *Houston*, arrived in Yokohama on November 20. The cruiser is scheduled to leave Yokohama for the United States on November 25.

A tea in honor of Mr. and Mrs. W. W. Lockwood in recognition of their 30 years service in the Y. M. C. A. Movement in China was given at the Y. M. C. A. Building, 123 Boulevard de Montigny, on November 22.

Culvert B. Chamberlain is expected to to take up his new appointment as U.S. Consul in Hankow next week. He had been consul in Harbin since October, 1931. He is being replaced at Harbin by J. B. Pilcher, vice consul at Hankow.

China will be represented by Victor Hu and Chang Hsin-hai, respectively Ministers to Switzerland and Portugal, and Huang Nai-shu, Director-General of Posts, at the forthcoming tenth annual international Postal conference to be held at Cairo, Egypt.

Funeral services for the late Dr. Inazo Nitobe, noted Japanese publicist and formerly Under-Secretary of the League of Nations, who died in a hospital in Vancouver last month, took place in Tokyo Nov. 18, according to Christian rites.

Julius Kahn, president of the Truscon Steel Company in Ohio, arrived at Yokohama last week accompanied by Mrs. Kahn, for a stay of about a fortnight. R. F. Moss, president of the Japan Steel Products Company, welcomed the visitors.

A funeral service for the late James Taft Shuman, private with Headquarters Company, 4th U.S. Marines, was held in Shanghai Nov. 16. Private Shuman died at the Regimental Hospital after a short illness Nov. 13. The remains will be shipped to Furman, South Carolina.

Dr. Kenneth J. Saunders, internationally known writer and authority on Buddhism, passed through Shanghai during the week on his way to India. While here he was the guest speaker at a dinner sponsored by the Religious Discussion Group of the Foreign Y.M.C.A.

Major-Gen. Umezu, of the General Staff Office, will be appointed on Dec. 1 commander of the Japanese Army in North China in succession to Lieut.-Gen. Nakamura, who is to be made commander of the 20th Division.

It is announced from Chengchow that a tender for the construction of the Taierhchwang-Chaoteng Branch of the Lung-Hai Railway (along the Shantung-Kiangsu border) has been accepted. Kiang Yuan-fu has been appointed engineer.

Dr. Jean Escarra, well-known French jurist, has been appointed a legal advisor to the Chinese Government, on a two-year agreement.

New stamp tax law regulations covering a wide range of documents were adopted by the Central Political Council at Nanking Nov. 15.

Paul R. Josselyn, U. S. Consul, attached to the Consulate-General at Shanghai, is ill at the Shanghai Sanitarium.

In an identic orders to the various Provincial and Municipal Governments Nov. 14 the Ministry of Finance instructed that all unauthorized sale of lottery tickets be strictly prohibited.

The Nanking government has decided upon the imposition of a dumping tax on ten foreign commodities, including cement, matches, rice, gasoline, electric-light bulbs and dry batteries, commencing next year.

The Hangchow-Hweichow Highway will be inaugurated at Changhua, in western Chekiang Nov. 26. The ceremony will be recorded by the Motion Picture Section of the Central Party Publicity Committee.

A consignment of 80 railway cars ordered by the Lung-Hai Railway has arrived from England, and is being transhipped from Shanghai to the Chengchow office of the Railway.

A strike is threatened by the workers of the Chinghsing Collieries, western Hopei, as a result of the failure of the management to meet their demand for an increase of wages and payment of arrears.

Reports persist that Dr. W. W. Yen may become Foreign Minister in the Government after his return from Moscow. It is said that Wang Ching-wei has wired to Dr. Yen in Moscow sounding his opinion regarding the matter.

Public land in the Huai River valley in Kiangsu province is to be taken over by the Huai River Conservancy Board. The Kiangsu Provincial Govenment has instructed its Department of Finance to turn over all relevant documents and records to the Board.

Signor Marconi, who arrived in Tokyo Nov. 16 is expected to arrive in Shanghai sometime towards the end of this month, accompanied by his wife. This noted Italian wireless inventor was decorated with the First Class Order of the Rising Sun upon his arrival in Japan.

A silver salver was presented Nov. 14 by the Shanghai Consular Body to E. S. Cunningham, the American Consul General and Senior Consul, in commemoration of his completion of 35 years in the American Consular Service and seven years as the doyen of the Consular Body.

The tercentenary of the death of Dr. Paul Zi, or Zi Ko-tao, who has been called "Shanghai's most gifted son," is being celebrated (Nov. 24), by the French Fathers of Siccawei. He was one of the pioneers of the introduction of western learning into China.

Mrs. Hallie Westbrook Anderson, wife of David L. Anderson, died at the Shanghai Country hospital on Saturday, November 18. Mrs. Anderson was a sister of Mrs. Arthur Bassett and was well known in the American community.

Judge Milton D. Purdy of the United States Court for China returned to Shanghai during the week from Hongkong. Judge Purdy left Shanghai for the south on November 11 for Canton to hold court there. The judge is accompanied by William T. Collins, clerk of the court and Mrs. Lousie M. Porter, reporter.

According to information from Chinese educational circles, the Ministry of Education in Nanking has granted the application of the National Tsing Hua University to take over the Old Summer Palace in Peiping. The university will convert the palace grounds into an agricultural experimental station.

Dr. Erik Norin, geologist of the Sino-Swedish Expedition, who went in search of Dr. Nils Anbolt, another member of the expedition missing in Sinkiang, has returned safely to Peiping after a series of harrowing experiences. He learned at Sining that Dr. Anbolt had proceeded safely to India.

John. R. Morris, who arrived in Shanghai recently to take charge of the *United Press* office in this city, has announced that the headquarteers of the service in the Far East had been transferred from Tokyo to Shanghai. Mr. Morris also announced that the local office staff had been increased through the employment of Earl H. Leaf as night editor. Don King who has had charge of the night service, will now have charge of the day service. Mr. Morris, prior to coming to Shanghai, was manager of the *United Press* Bureau in Mexico City.

The Chekiang Provincial authorities are making plans for the development of Tienmu Shan (Mountain) into a summer resort. The scenery there is considered to surpass in beauty even that at Mokanshan. The mountain is situated at Yuchienhsien, in northwestern Chekiang, near the Chekiang-Anhwei border.

The new Library of the National Central University at Nanking was completed Nov. 20. A total sum of $200,000 has been expended on construction work and the provision of the necessary equipment. Its Reading Hall and Research Room are capable of accommodating 900 persons.

Arthur Salter and M. Gean Monnet arrived in Shanghai during the week to join the foreign advisory staff of the National Economic Council. M. Monnet was formerly under-secretary of the League of Nations. D. Drummond, son of the former secretary-general of the League, is accompanying M. Monnet as secretary.

Rene Laurens, who has been the acting editor of *Le Journal de Shanghai* in the absence of M. Moresthe, who is due to return from Europe shortly to resume the editorship, will go to Manchuria as the special correspondent of *Le Petit Parisien* before proceeding to Paris to join the staff of that journal there.

William K. Vanderbilt, III, who will be remembered as having suddenly left a round-the-world steamer in India about half a year ago—on which his cousin, Ernest Vanderbilt Gwynne was also traveling, and proceeding incognito to Shanghai—was killed in an automobile accident at Ridgeland, South Carolina, Nov. 15.

John K. Davis, American Consul General at Seoul, has been transferred to a similar post at Vancouver, William R. Langdon, who has been Consul at Montreal, will succeed Mr. Davis. Mr. Davis was for many years Consul-General at Nanking and Mr. Langdon was formerly consul at Dairen.

The International Finance and Exchange Company of Dairen which was inaugurated by the late Senkichiro Hayakawa under the state laws of Delaware, with a capital of Yen 30,000,000, expects to commence business in the near future. The management of the Company has decided to increase the capital by Yen 10,000,000.

J. Usang Ly. President of Chiaotung University, accompanied by Prof. A. F. Barker and Dean T. Y. Woo, has returned from Soochow, where he spent several days in attending the Fiftieth Anniversary Celebration of the Soochow Hospital, and Fortieth Anniversary Celebration of the Sui-ying High School founded by the Presbyterian Mission.

The Shanghai-Tientsin freight service of the Dairen Kisen Kaisha, which had been in a state of suspension following the Sino-Japanese hostilities of Shanghai of last year, was resumed formally when the company's freighter *Tencho Maru* entered Shanghai from Tientsin Nov. 14 afternoon with three hundred tons of miscellaneous goods.

Negotiations are soon to be started between the City Government of Greater Shanghai and the Shanghai Municipal Council for collection of amusement taxes in the International Settlement. Tsai Tseng-ki, commissioner of the Finance Bureau, has been instructed to approach the Municipal Council authorities for the imposition of the tax.

The Ministry of Industry is giving consideration to appeals for the imposition of a dumping tax on imports of iron and steel products. Besides the imposition of a dumping tax on foreign iron imports, the Shanghai Association of Chinese Factories requests that the tax on native ores and minerals be reduced so as to facilitate the recovery of the mining industry.

The case of the Rev. H. S. Ferguson, a British missionary who was captured by bandits in China in May, last year, was raised in the House of Commons Nov. 15. The Foreign Secretary replied that a report that he had been killed in September 1932, was not confirmed. Some time after his capture, he was being exhibited by his captors at public fairs, but he took the opportunity to preach to the onlookers.

Chinese Become Anti-Japanese Because of Police Attitude

Poor treatment in boarding houses and the strict attitude of police officers in Tokyo were given as the principal reasons for Chinese students spreading anti-Japanese sentiments on returning to their homeland, by Major Kan Hailan, military attache of the Chinese Legation, in a recent interview with the *Jiji Shimpo*. Major Kan was honored at a farewell banquet given by Marquis Okuma and other prominent people of Tokyo before leaving for China after having been in Japan nearly a year.

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THE PAN-PACIFIC CULTURAL ASSOCIATION

Has reprinted for general distribution in pamphlet form the treatice by the late B. H. Chamberlain, Emeritus Professor of Japanese and Philology at the Imperial University of Tokyo, entitled,

"THE CREATION OF A NEW RELIGION"

The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.

Price, including postage, 30-cents a copy. Orders sent to *The China Weekly Review* will be forwarded to the publishers for execution immediately.

In the United States Court for China

In re.
Estate
of
ORMOND B. GAINSBOROUGH
Deceased

Cause No. 3596

Special Proceedings No. 931

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Ormond B. Gainsborough, deceased, to present the same with vouchers to the undersigned on or before June 9th, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 9th, 1933.

M. R. Nicholson,
Administrator.

248 Kiangse Road,
Shanghai, China.

New Books of Interest in the Far East

Not All Quiet on "Far Eastern Front"

Far Eastern Front, By Edgar Snow. Harrison Smith & Robert Haas, New York. G.$7.30.

Japanese militarism further extended on the mainland of Asia in the past two years has created a situation pointing toward a more horrible future than has been the experience in the sanguinary past. The stirring and dynamiting events since the fatal night of Sept. 18, 1931, momentous indeed as they have been, are apparently but a prelude to an even more stormy and catastrophic crisis to come, the significance of which the world in general has not yet fully grasped. The spark lit by the first shot of the Japanese army in Manchuria has set up a blaze on the "Far Eastern Front" which will not be extinguished for years or even decades, unless Japan's ambitions are checked and her imperialistic adventures liquidated. Japan's armed aggressions upon China are not the primary concern of the Western Powers, but Japanese economic dominance and its resulting military supremacy in Asia are something which the West can not view with equanimity or put up with. This disturbing element will inevitably lead to another world conflagration which will be fought on the fields of Asia. In order to appraise the significance of present events in the East and forecast their future trend, the world has long needed a competent interpreter equipped with thorough knowledge of affairs and personalities involved and gifted with far-sightedness, keen observation and sober intelligence. Edgar Snow, author of the new book fittingly entitled "Far Eastern Front," eminently fills that role.

The appearance of this book at the present moment is most timely, when the Japanese Warlords are maturing their plans for Asiatic conquest, while the interested Western Powers are embarking upon an intensive military preparedness for the coming catastrophic struggle, with China bleeding to death under rival world imperialisms and military systems. The book is not a mere recitation of passing events, but an illuminating and enlightened interpretation of them. It is not meant to be, as the author points out in his preface, a comprehensive examination of the burdens of Asia, but is concerned principally with the dramatic phases of conflict and their meaning in the scheme of history. As a newspaper correspondent and acute observer, Mr. Snow is particularly fitted to undertake the task and he has peformed it with great success. Mr. Snow possesses certain qualities which distinguish him from the horde of writers on China and particularly the Manchurian question.

In the first place, he is a young man and as such is endowed with a liberal outlook on things. He has been in China long enough to acquire a thorough knowledge of the Chinese situation and its historic background, but was not here early enough to become infected with what, for the lack of a better term, is called "Treaty-Port-Mindedness" which has plagued so many "Old China hands." His outlook on China and her future is not altogether a bleak one and amidst utter and stark chaos, he discerns here and there certain bright patches which may yet give hope to the rejuvenation of aged and decadent China. Secondly, he has travelled extensively in China and in the Far East and is intimately acquainted with conditions in China's vast interior. His duties bring him into contact with the common people and high personages alike and he learns from both. He writes from what he sees and observes or from what satisfies his inquisitive mind to be real facts. George Sokolsky wrote a volume on the Manchuria Affair from ill-digested hearsays thousands of miles away across the Pacific and J. O. P. Bland concoted one from a hardened and almost ossified memory. Snow has produced a book from material gathered on the battle-fields. Facts have been verified and opinions, sifted and weighed. This difference alone singles out his book from a dozen of others on the Manchurian Affair as a superior effort. In so far as factual reliability and intelligent interpretation are concerned, it ranks above all of them and defies competition. Thirdly, Snow has written a book with no ulterior motives behind him. He advances no cause, justifies no wrong. He writes for the sake of information and for the sake of contributing to the general understanding of the public. His judgement on men and events is neither influenced nor inspired. He gives credit where credit is due and condemns where an injustice has been done. Friends of the Japanes War Office may receive free copies of Sokolsky's "Tinder Box of Asia," but no such generous donation may be expected of Snow's "Far Eastern Front." It can only be obtained from the Publishers. Fourthly, Snow, as a seasoned journalist of a high order, is gifted with a versatile pen and possesses remarkable descriptive powers. His lucid and running account of events and his vivid characterizations of personalities, executed in short, vigorous and incisive sentences, compell interest and arouse admiration. Probably the youngest of all foreign correspondents in China, he already has acquired the distinction of a being a foremost writer of the day on events in Far East.

The book contains 334 pages and is fittingly illustrated. The contents is divided into two main parts. The first part deals with Manchuria with a brief historial account, while the second part is devoted to the study of conditions in China Proper. Under these two main divisions, are separte sections or chapters dealing with men, events, and places. In the first few chapters in Part I, he traced and discussed the beginning of the War, bared Japanese plots for Manchurian conquest hatched for many long years, depicted the glamorous Chang Dynasty founded by a bandit-chieftain Grand Marshal Chang Tso-lin but ruined by his licentions ill-fated heir Young Marshal Chang Hsueh-liang. The three arch-Japanese conspirators, Honjo, Minami and Araki plus that illusive, mysterious and master intriguer and state-sleuth, Dohihara the "Lawrence of Asia" are treated together in one single Chapter, in which he studied and described their boyhood dreams, youthful ambitions, their past military careers and present imperialistic achievements. (The author seems to have failed to mention one other Japanese T. Komai, whose contribution to the Japanese War Office is perhaps second only to Dohihara. Although he is down and out now, his past to a large extent has been involved in what is happening at present.) The colorful and mysterious city of Harbin is described as a storm center of conflict greater than momentary matching of martial strength and mating ground of Yellow, White and Red. His description of this city's life is both a social study and an entertaining story. The First Part concludes with a chapter on the prelude to Paradise—the conquest of Manchuria and the subsequent creation of "Manchukuo."

Part II begins with an interpretative account of current conditions in China within the Great Wall. He discussed the Revolution and counter-Revolution and presaged the future of both. Apparently in the opinion of the author, the Revolution of 1927 under the leadership of the Kuomintang has spent its force and a new power will inevitably rise in its place to lead China's millions on the road to progress. As a counterpart to the city of Harbin in the first Part of the book, a whole chapter is devoted to the study of that equally mysterious, colorful but indescrible city of Shanghai—citadel of World Imperialism in Asia. Shanghai with all its vices and virtues is thoroughly bared under his searching examination. Then, he traced the causes leading to the Japanese disastrous adventure in Shanghai, historically to be known as "Sino-Japanese Armed Conflict in Shanghai of 1932." This is followed by a dramatic and vivid account of the operations of the war in which the author participated as a correspondent, braving death in running back and forth between the Japanese and Chinese lines. Japanese armed aggressions in North China early this Year resulting in the conquest of Jehol and the establishment of a virtual Japanese protectorate over North China are described in an equally lucid manner. The inside story of Manchukuo is illuminatingly exposed under the heading "Paradise Achieved." Finally, as an epilogue to the first scene of the great human drama still in its embryolic stage, the author rounds out his study with a philosophical discussion on the destinies in Asia.

The book presents many unique features in treatment and organization of the material. For instance, many people have a vague idea as to the principal figures individually behind the Japanese move in China, but they scarcely know their joint interests and activities. When the careers of Honjo, Araki and Minami are treated together, the author gives vitality to an otherwise dry and meaningless story of madmen's affray

in Manchuria. Forces that make history acquire direction only when leaders appear among men. Read the past of these three men in the following quotation to undrestand their present:

"Shigeru Honjo, Sadao Araki and Jiro Minami attained manhood as Japan achieved modern nationhood.—Cadets at the Imperial Military College during the Sino-Japanese war, Honjo, Araki and Minami formed a friendship that was to last throughout their interesting careers.—As subalterns they got their first feeling for war during the clash with Russia.—The world War took them to Europe, where the battlefields for four years were an arena for their study.—Each now succeeded, during the next 10 years (after the world War), in having himself assigned to China and Manchuria. Minami was in turn garrison commander at Tientsin, military attache and advisor to the Chang Tso-lin Government of Manchuria. Honjo served as military attache, as commander of the Kuangtung garrison in South Manchuria, and as high advisor to the Old Marshal. Araki saw service in similar capacities. Like the other two he studied the intimate secrets of Chinese poltics, the strength and weakness of Chinese militarists. More important he mastered the science of Chinese thought.—Of the three, Araki is the man careful in plan and thought, rigid in discipline, the army-builder; Honjo, the man of command in the field, the state-builder; Minami, the man of vast concepts, the dreamer of conquest, the empire-builder."

Supplementing the talents of this trio, is the remarkable espionage work of Honjo's favorite pupil, Kenso Dohihara. Among the many exquisitely executed stunts performed by this man of vast intrigue, are counted negotiations of Japanese loans to the notorious Anfu Clique, rescue of President Hsu Shih-chang from Peking to Tientsin in a laundry basket, smuggling of Pu Yi to Tientsin in 1924, wrecking of Chang Tso-lin's train, and finally, crowning his achievements, the kidnapping of China's deposed "Boy Emperor" to Manchuria and his elevation to the Japanese-erected throne. Throughout his long intriguing career, he made only one lapse—he was outwitted by the unsuspicious but more illusive person, Ma Chan-shan who made away with a vast sum of money furnished by Dohihara as his price of surrender to "Manchukuo" but who with the help of the Japanese money caused so much trouble to Honjo's soldiers in Northern Manchuria.

Admiral Shiozawa's adventure in Shanghai was the fatal blunder for the Japanese and an outrage to the world. Although the Japanese eventually won out, however the impairment of Japanese military prestige can never be redeemed. As a crushing indictment of his rash activities in Shanghai, the author makes the following pertinent comment:

"He (Shiozawa) had first violated international law by beginning hostilities after the terms of his ultimatum had been fully met; he violated the traditional neutralilty of the Settlement by making it a

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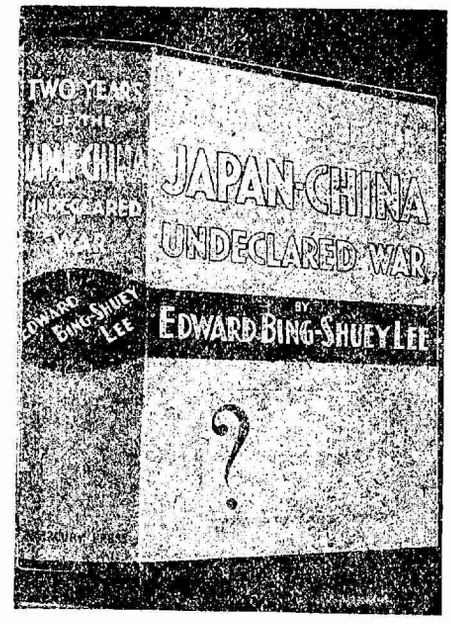

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CHINA WEEKLY REVIEW

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base of attack against tthe Chinese; he violated international practice by bombing a thickly populous city without advance warning to non-combatants; and he violated, of course, all international peace pacts when he opened warlike operations against China."

This indictment, white true of Shiozawa's case, will go down to history as posterity's condemnation of the whole Japanese adventure in China; no amount of literature put out by Japanese officials and their apologists, Japanese and foreign, can repudiate the injustice of it.

Living in China at a most dramatic period of her history when the cross-currents of revolution and counter-revolution are engulfing the nation with the consequent disaster to the people and terrible slaughter of humanity, the author has had an opportunity to witness the rise of a great mass movement in China. He observes the phenomenon in its "growing pains" and sizes up its ultimate significance. The following quotation is a summary of his illuminating interpretative study of the Movement.

"The Communist advance in Central China is one of the most remarkable movements in history. Beginning, in 1927, with the nucleus of 15,000 ill-equipped troops under Ho Lung, a former Kuomintang commander, the Red Armies in 1933 numbered 12 divisions, with a total of about 90,000 men. Their growth and spread of power had been accomplished under extraordinary handicaps. Originally armed with little more than pitch-forks and spears, surrounded on all sides by enemies, with little but the resources of the peasants to support them, the Communist Party had, in central China, achieved formidable dimensions.—The real basis of the success of Communism lay, however, in its fundamental appeal to the vast landless, propertyless classes. Red soldiers were all peasants, like their leaders.—Principally in Kiangsi province but also in large parts in Hunan, Honan, Szechuan, Fukien and Anhwei, peasant armies had driven out or killed Kuomintang officials and the gentry and had established soviet government. Areas which include a population of between fifty and seventy millions of peasants were now thoroughly bolshevized. The Movement was fundamentally a mass effort to achieve economic and social reforms. It had zealous leadership chiefly in the five youthful Maxist soldiers: Mao Tse-tung, Ho Lung, Yeh Ting, Chu Teh and Pang Teh-hui."

Finally, forecasting the future course of events in the Far East as heralded by the innundation of Nipponese militarism in Asia, the author, as a loyal citizen of the United States, betrays concern over the stand of America in the midst of the stirring and disturbing affairs of the East and advises caution and restriant on the part of his country. Discussing the ppssibilities of an American-Japanese war he says:

"There are two conceivable reasons why America might offer armed opposition to the realization of Japan's ambitions to reign over Eastern Asia. One is purely materialistic, the desire to assert and maintain America's trade supremacy in the Orient. The other is somewhat romantic, the will to preserve international peace, and incidentally, China's territorial soverignty, through the enforcement of existing pacts and treaties designed toward that end. These two purposes are the bases of American policy toward China.—In them idealism and realism for once seem to unite.—American dislike (referring to Japan) is in reality centered against the Japanese General Staff policy that has invalidated pledges which many Americans thought inviolable. Because the United States to a considerable extent fostered the Nine Power Treaty, the Kellogg-Briand Pact, and the League of Nations, Japan's action in defiance of them is taken as a special affront. But much as we may like peace such conventions are supposed to assure, we are not disposed, after the catastrophe in Europe, to fight to secure it for the Chinese or any other foreign country.—Nevertheless the Japanese economic and cultural challenge to America's natural westward destiny is growingly a real one. In time, unless the United States gives more or less formal recognition to Japanese paramountcy in Eastern Asia, the conflict of interests might conceivably endanger war.—To crush Kaiser-minded militarism in Japan would accomplish much good, (but) the control of militarism in Japan is primarily the problem of the Japanese people and only secondarily that of foreigners.—Hence, what restraint America exercises on Japan, in future probably will remain diplomatic."

Taking a larger view of future events in the Far East, the author believes that the best means to avert the threatening world crisis would be the liquidation of Western Imperialsm in the East to set a salutary example for the Japanese to follow. He says:

"Specially, the American decision to liquidate Our imperialistic adventure in the Philippine Islands should be carried out. It should be used as a lever to get other Powers to make similar undertakings in the Orient.—It is a faint hope, but such a frank and high-minded program might even break the militarist hold in Japan, and result in a similar Japanese declarations with regard to 'Manchukuo' and possibly Korea."

High-minded idealism is a prized thing, but too good to be expected of the military minded people. As the situation now stands with Japan quickly expanding its area of conquest and other nations in the world racing in the replenishment of their armament, this program has little chance for experiment. Rather bleeding themselves to death than relinquishing their imperialistic achievements, the militant Powers of the world will have to fight a catastrophic war on the Far Eastern Front before they lie down prostrate and smart under its after-pains to enjoy a forced span of peace.

As a whole, the book is a praise-worthy effort. It should be read by all who desires an understanding of events in Asia, their future tendencies and ultimate consequences. The only regret is that exigencies of time had not enabled the author to review the final proof of his manuscript to correct a number of errors, largely of names and places. Most of the misprints are excusable, but in one typographic error in the Contents —Chang Dynasty is mispelled as "Shang Dynasty," a reviewer will not be so indulgent. Beyond this, no criticism can be made. However, incidentally, it may say that thte price of the book is somewhat excessive to the people of average means. Despite the low exchange rate, $15.00 in Chinese currency is a still a big sum for a popular book of current interest. A cheap edition is necessary to make the book available to the readers and admirers, of whom Mr. Snow has many in China.

C. H. H.

Chinese in Singapore Ask for Education in Their Own Tongue

The Chinese community in Singapore is showing increasing dissatisfaction with the regime of Sir Cecil Clementi, who some time ago became Governor of a Singapore, after having occupied a similer position in Hongkong. His suppressing of the Kuomintang still rankles in the Chinese breast and his recent plan regarding Chinese education falls far short of Chinese aspirations. The matter came up at the Legislative Council Oct. 25 when Lim Cheng Ean made another impassioned speech pleading for free primary vernacular education for Chinese and Tamils. Towards the end of his remarks Mr. Lim broke down and ended by saying. "This is the last plea I shall make, for I do not intend to continue as a member of this Council." In the course of his remarks Mr. Lim said he felt ashamed when he heard the Colonial Secretary refuse even the little concession he asked, namely the establishment of wings to existing Malay schools for the imparting of elementary education in Chinese and Tamil. The government attitude is that if the Chinese want education in their vernacular they can go to China, and if the Indians want it they can go to India. The *Straits Times*, although not endorsing Mr. Lim's education plea, urges the Singapore government to adopt a more liberal policy generally towards Straits-born Chinese.

Origin of Import Regulations Not to Be Enforced Until July Next

The Nanking *Central Daily News* understands that, as the result of a recent Japanese request, the National Government has agreed to postpone the enforcement of the Origin of Imports Regulations for another six months beginning from January 1, 1934, when the regulations were originally scheduled to be enforced.

Roosevelt Expected to Stabilize Dollar at Fifty Cents

The price of newly-mined domestic gold was raised Nov. 21 to U.S.$33.66, an increase of 10 cents an ounce over the previous quotation. Well-informed observers in Washington believe that President Roosevelt plans to depreciate the dollar to 50 cents, at which point they expect that he may stabilize.

O. W. Sprague, financial adviser to the Treasury, resigned Nov. 21. In a letter to President Roosevelt he expressed determined opposition to the gold-purchase plan and said he saw no indication that prices would be improved thereby. The American dollar exhibited great weakness during the week and a "determined flight from the dollar" was predicted.

Francis Bowes Sayre, son-in-law of the late President Woodrow Wilson, has been appointed Assistant Secretary of State. Mr. Sayre formerly served as advisor in foreign affairs to the Siamese Government and still holds the post of juris-consult to the Siamese Foreign Office. He is intimately familiar with all aspects of Far Eastern affairs.

The Government's plans to advance to farmers four cents a pound on Government cotton on which the farmers hold options in accordance with the acreage agreement, have been completed. A sum of U. S. $120,000,000 will be necessary to complete the transactions.

Substantial increases in the enlisted personnel of the United States Navy and Marine Corps and simultaneous pay adjustments will be asked of Congress when it convenes in January. It is also reported that a strong effort will be made to restore the 15 per cent slashed from the pay of the Navy in the economy legislation early this year.

President Roosevelt Nov. 17 announced the continuation of the steel code until May 1 next year.

U. S. Textile Trade Hard Hit By Japan

American cotton cloth exporters, caught in a cross-fire of intense competition between Great Britain and Japan for the position of dominance in world textile trade, have watched their sales abroad dwindle from an average of $130,000,000 annually in the years 1925-1929, to a basis of $1,000,000 annually during recent weeks, according F. A. Colt, secretary of the U. S. Textile Exports Association.

Fruitless Disarmament Talks at Geneva, While Nations Arm Themselves

Fruitless disarmament talks lasting three hours took place in Geneva, Nov. 19 between the representatives of Great Britain, France, Italy and the United States.

The Fascist Grand Council will meet on December 24 to discuss whether it is advisable for Italy to remain or withdraw from the League of Nations.

Pearl Harbor, the United States Navy's great mid-Pacific base, at present teems with new activity as the $10,000,000 improvement program authorized by Congress out of the Public Works funds is well under way. The completion of the new program, involving the expenditure of exactly $9,894,000. will bring the total amount thus far spent by the United States on the development of the harbor up to approximately $45,000,000.

The British Admiralty has decided to revise the 1933 program to include two cruisers of the new type, of about 9000 tons and with increased armaments, and one cruiser of the *Arethusa* class, of 5200 tons.

The new 10,000-ton cruiser *Tuscaloosa*, the fifteenth vessel built under the Washington and London Naval Treaties, was launched at Camden, N. J. Nov. 15.

"Ignorance Has Shortened More Lives Than the Sword."

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CUSTOMS NOTIFICATION NO. 1326.

The Public is hereby notified that in future in accordance with Government instructions, the following method will be adopted by the Customs for calculating the duty-paying values of commodities enumerated in the Import Tariff of 1933 which pay specific rates of duty on the basis of values:

1. Whenever the tariff duty rate leviable on imported goods is subdivided into grades which are determined by the value of the goods, the word "value" is to be regarded as meaning the duty-paying value as defined in section 1 of Rule I of the Import Tariff Provisional Rules. The following additions are to be made to this "value" before comparing it with the wholesale market value of the goods for purposes of duty assessment:—

   (a) The tariff duty rate;

   (b) Surtax or surtaxes at present in force; and

   (c) 7 per cent. of the "value" in order to arrive at the wholesale market value of the particular grade.

2. If the wholesale market value of the merchandise falls within the limits of a grade as ascertained by applying the rule given in section 1, duty shall be charged in accordance with the tariff rate prescribed for that grade.

3. If the wholesale market value of the merchandise does not fall within the limits of any grade as ascertained by applying the rule given in section 1, duty shall be charged in accordance with the tariff rate prescribed for the grade which, when converted, approaches most nearly this wholesale market value.

Further information in this connexion may be obtained on application at the Appraising Department, Custom House.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 22nd November, 1933.

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East .....Price M.$15.00

"Symposium on Chinese Culture," by Sophia Chen Zen .....Price M.$ 7.50

"Essays on the Manchurian Problem," by Shuhsi Hsu .....Price M.$ 7.50

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THE CHINA WEEKLY REVIEW

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Shanghai Real Estate Review by Realty Investment Company

Looking over the area outside the Settlements for October, we see Nantao in the lead with 75 permits approved and Chapei second with 57 permits for new buildings, and then comparing October this year with the same month of last year, we find that new building is up more than 20% for the whole area, this all compares very favorably with the Settlement.

The Eastern District stands out within the Settlement this week for more than half the value in permits were in this section. One large one is for a Rubber factory in Tsitsihar Road; another is an extension to a Glycerine factory off Yangtsepoo Road; and the largest one calls for a new godown and office buildings at the corner of Poyang and Neikiang Roads.

In the Western District a large group of new buildings have been started at the corner of Boulevard Mongtigny and Rue Buissonnet. They include 17 2-storied Chinese shops and 24 3-storied houses. Other permits are for a 16 unit apartment house and 3 foreign residences.

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Shanghai, Nov. 22, 1933.

Demand selling rate on America:	U.S.$100=Sh. $289.33
Demand buying rate on America:	U.S.$100=Sh. $286.22
Demand selling rate on London:	£1.0.0=Sh. $ 15.73
Demand buying rate on London:	£1.0.0=Sh. $ 15.54

66-612

Latest New York Stock Exchange Quotations

Market—Easy Business Done 1,800,000 Shares

November 22, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Nov. 20	Tue. Nov. 21
13¾	3	—	Adams Express	8¾	8½
38	11⅛	0.60	Alaska Juneau	23¾	22¼
45½	70¾	6.00	Allied Chemical & Dye	143¼	142½
98¼	49½	4.00	American Can	99¼	99½
19⅝	3⅝	—	American & Foreign Power	10⅝	10⅜
44⅞	7¼	—	American & Foreign Power 7% Pfd.	22	21⅜
13⅛	2⅝	—	American & Foreign Power Warr.	7¼	7¼
23⅝	3½	—	American Metal Co.	22	21¼
53½	10¾	—	American Smelting	48	45½
134¾	86½	9.00	American Telephone & Telegraph	121⅞	120
94¾	50¾	5.00	American Tobacco "B"	77⅜	76½
43¼	10⅞	1.00	American Waterworks	17	17¼
22⅞	5	—	Anaconda Copper	16¾	16
18⅝	5⅞	—	Atlas Corporation	13¼	12½
84¼	31¼	2.00	Auburn Automobiles	46¾	45⅛
37⅞	8¼	—	Baltimore & Ohio	24¾	25
49¼	10⅛	—	Bethlehem Steel	33¾	33⅛
37⅝	18	1.60	Borden Company	22¼	22
21⅝	5½	—	Borg Warner	17	16½
20⅞	7¼	—	Canadian Pacific Railway	12⅝	12⅜
103½	30¼	—	Case, J. I.	75⅞	74½
47⅞	18⅞	1.40	Chase National Bank	18⅞	17⅝
52½	14⅞	2.00	Chesapeake Corp.	34⅜	34⅞
52⅞	7¾	0.50	Chrysler Corp.	49¾	48¾
28⅛	9	0 50	Columbia Gas & Electric	10½	10½
6⅛	1⅜	—	Commonwealth & Southern	1⅞	1⅞
64⅛	36¾	3.00	Consolidated Gas of N. Y.	38⅝	37⅞
19⅝	4⅞	—	Continental Oil	18¼	18⅛
90⅝	45⅜	3.00	Corn Products	72	72
7½	2⅝	—	Coty Inc.	4⅜	4¼
4⅜	1½	—	Curtiss Wright Company	3	3
18¼	10½	0.75	Douglas Aircraft	14⅜	14¼
89⅞	82¼	2 00	Du Pont de Nemours	89⅞	88
89¾	46	3.00	Eastman Kodak	76	77
41⅝	10	—	Electric Bond & Share	13	12⅞
15⅜	8⅛	—	Electric Power & Light	5	4⅞
19	12	—	Fox Film	14	Unq.
10¾	2⅞	—	General Aviation	5¾	5⅝
30¼	10½	0.40	General Electric	22	21½
39⅞	21	1.80	General Foods	35⅞	35¾
36⅜	10	1.00	General Motors	33⅝	33
49½	13¼	1.00	General Railway Signal	33⅜	33⅜
27⅝	12	1 20	Gold Dust	20⅛	20
47½	9¼	—	Goodyear Tire & Rubber	40	38½
40	6⅞	—	International Cement	31	31½
46	13⅝	0 60	International Harvester	44	43
22⅜	6¾	—	International Nickel	22¾	22¼
21¾	5⅛	—	International Telephone & Telegraph	14¾	14⅝
60⅜	12¼	—	Johns Manville	57⅞	57
26	7⅜	—	Kennecott	23½	23
79⅜	37½	2.40	Lehman Corporating	68	70
99⅜	49½	*4.00	Liggett & Myers, "B"	88¾	87¾
86½	8½	1.00	Loew's: Inc.	31⅝	30⅝
25¼	10⅜	1.20	Lorillard P. Co. (Com.)	17¾	17½
47⅛	18	1.00	McIntyre Porcupine	42½	43
28⅞	8⅝	—	Montgomery Ward	21⅛	23¼
64½	19¾	1.00	National City Bank (bid price)	21	20⅜
124⅞	16⅞	—	National Distillers	29¾	26
58½	14	—	New York Central	37⅛	37½
36½	15¾	8% S	North American Company	14⅛	14⅝
96¾	31½	2.00	Owens Illinois Glass	83	83¼
87⅞	16½	1 50	Pacific Gas & Electric	17	16¾
6⅞	1⅝	—	Packard Motors	4	4
42¼	13¾	0.50	Pennsylvania Railroad	27⅞	28
6⅜	1½	—	Pennroad Corporation	2⅝	2¾
18¾	4¾	—	Phillips Petroleum	18	17
12¼	3	—	Radio Corporation	7⅜	7¼
5¾	1	—	Radio-Keith Orpheum	2⅜	2⅜
54¼	26½	3.00	Reynolds Tobacco "B"	47½	47
47	12½	—	Sears Roebuck	45¼	44¼
11⅝	4	—	Shell Union	9⅜	8¾
17	6	0.25	Socony-Vacuum Corp	17	16¼
28	14¼	2.00	Southern California Edison	15	15
22½	5⅛	—	Standard Gas & Electric	7½	7¾
47	22¾	1.00	Standard Oil Co., of N. Jersey	46¾	46⅝
60¾	50	—	Sterling Products	56	55¾
8⅜	1½	—	Studebaker	5	4⅞
30½	10¾	1.00	Texas Corporation	27⅜	27
45¼	15¼	1.00	Texas Gulf Sulphur	45¼	44½
9⅜	2⅝	—	Trans America	5⅞	6⅛
51⅞	19¾	1.00	Union Carbide & Carbon	49¼	47¾
132	61¼	6.00	Union Pacific	112	110¾
46⅞	16½	—	United Aircraft & Trans.	35⅛	34
14½	4⅞	—	United Corporation	5	5⅛
25	14	1.20	United Gas Improvement	15½	15
25	2⅞	—	U. S. Rubber	10⅝	18½
67½	23⅜	—	U. S. Steel	43	44½
51½	21½	*2.00	Universal Leaf Tobacco	4	Unq.
36¼	7⅝	—	Vanadium	21½	21⅛
9⅛	1	—	Warner Bros. Pictures	6¾	6⅝
58¾	19⅜	—	Westinghouse E. & M.	41¼	40½
50⅞	25⅛	2.40	Woolworth	41⅜	40⅝

*Plus Extras Call Money ¾% ¾%

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